DOMINION OF CANADA

Parliament. House.

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

FIFTH SESSION—SEVENTEENTH PARLIAMENT

24-25 GEORGE V, 1934

VOLUME I, 1934

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1934

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 25, 1934

FIFTH SESSION—SEVENTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the 25th day of January, 1934, met this day at Ottawa, for the dispatch of business.

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

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

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

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

Accordingly the house went up to the Senate chamber.

And the house being returned to the Commons chamber.

VACANCY

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

Of Thomas Merritt Cayley, member for the electoral district of South Oxford, by decease.

I accordingly issued my warrant to the chief electoral officer to make out new writs of election for the said electoral district.

NEW MEMBERS

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

Of Aimé Boucher, for the electoral district of Yamaska.

Of Joseph Enoil Michaud, for the electoral district of Restigouche-Madawaska.

Of John Angus MacMillan, for the electoral district of Mackenzie.

NEW MEMBERS INTRODUCED

Aimé Boucher, Esquire, member for the electoral district of Yamaska, introduced by Right Hon. W. L. Mackenzie King and Hon. Ernest Lapointe.

Joseph Enoil Michaud, Esquire, member for the electoral district of Restigouche-Madawaska, introduced by Right Hon. W. L. Mackenzie King and Hon. P. J. Veniot.

John Angus MacMillan, Esquire, for the electoral district of Mackenzie, introduced by Right Hon. W. L. Mackenzie King and Hon. W. R. Motherwell.

OATHS OF OFFICE

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

Mr. LAPOINTE: Explain.

Mr. BENNETT: Mr. Speaker, the bill refers to oaths of office, and usually has remained in the first stage for the last half century. I move that it be now read a first time.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister if the purpose of the introduction of the bill is not to assert the right of the Commons to deal with affairs of concern to its members before taking up any matters which may be of concern to the crown?

Mr. BENNETT: I believe that is the theory, Mr. Speaker, but I should judge that one who has occupied the high office of Prime Minister is quite as conversant with that subject as I am.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

You are summoned for the dispatch of public business at a time when there are sound reasons for believing that the world is gradually returning to economic stability. I congratulate you that such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Since I have been associated with you as the representative of His Majesty in Canada, I have visited every province of the dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

The Ottawa trade agreements have now been in operation for a full year and the results indicate substantial expansion of Canadian-Empire trade over the preceding year. It is worthy of note that the agreements are proving beneficial to all empire countries. The trading position of the empire in the world has steadily improved. Canada has again resumed her place as the fifth exporting nation. Our favourable trade balances have enabled us to discharge our international obligations and have greatly lessened the difficulties of the international exchange situation.

The temporary trade arrangements made with Germany and Austria have been further extended. Canadian products are now receiving most favoured tariff treatment in those countries in exchange for the grant of our intermediate tariff on their products.

The prices of agricultural products, which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months. My government realize, however, that further increases in price levels are necessary to ensure success to those engaged in agriculture. You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

Members of my government participated in the World Monetary and Economic conference convened in London in June of last year. The reports approved by the conference and the resolutions adopted by the bureau and the executive committee as well as certain agreements entered into by my government designed to mitigate fluctuations in the price of silver will be laid before you. The conference adjourned without dealing with many important subjects, but arrived at conclusions of especial interest and concern to Canada in respect to central banks, the gold standard, and the percentage of metallic coverage essential to the successful functioning of gold as a medium of international exchange. During the conference, my ministers informally met the representatives of the United Kingdom and other countries of the British commonwealth of nations, with a view to the further development of empire cooperation; and adopted certain resolutions with respect to monetary and financial policies, which will be laid before you.

In July of last year, my government appointed a royal commission to inquire into and report upon the operation of the banking and monetary system of Canada, with particular reference to the provisions and working of the Bank Act, the Dominion Notes Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution. You will be invited to consider legislation for the establishment of a central bank, the extension and revision of bank charters, which were extended at the last session of parliament to the first day of July, 1934, and to consider further appropriate additions and amendments to our banking and monetary legislation.

My government, acting with representatives of other wheat exporting countries, as well as representatives of wheat importing countries, have entered into an agreement for relieving the world market from the disastrous price-depressing influence of abnormal surplus wheat stocks. It is a matter of satisfaction that the parties to this agreement are co-operating with a degree of effectiveness which is already reflected in improved prices. The agreement will be laid before you.

Since prorogation, my government made a public offering of Canadian securities in the United Kingdom. This was the first time in over fifteen years that Canada had negotiated a loan in the British market. The reception of the loan was gratifying in the extreme, indicating the high standing of Canadian credit.

My government have been giving careful consideration to measures that might be adopted for the establishment of agricultural short term and intermediate credits; and have invited representatives of the provinces to study the means by which practical effect may be given to the recommendations in this respect made by the royal commission on Monetary and Banking Problems.

Since prorogation, my government, under the authority of The Relief Act, 1933, have continued to assist financially the provinces in the discharge of their constitutional obligations.

My government have recently concluded a conference with the representatives of all the provinces, when, after the fullest discussion, it was agreed that it was desirable, in the national interest, that assistance to the provinces should not be wholly discontinued until the return of more normal conditions. The extent and method of affording such assistance were left for negotiation between my government and the governments of the several provinces.

The representatives of the various provinces strongly approved of the arrangements made by my government to care for single, unemployed, homeless men in camps until such time as they could be absorbed in industry, by providing them with employment on undertakings for the national good; and of the provision made in 1932 for settlement of families on the land, which has been extended with satisfactory results. My government propose further to

promote employment by expenditures on essential public works and undertakings throughout the dominion.

You will be invited to consider, amongst others, measures relating to the Excise Act, the Companies Act, the Judges Act, and the Elections Act.

Members of the House of Commons:

The accounts of the last year will be laid before you. The estimates for the coming year will be submitted at an early date. They have been prepared with a regard for rigid economy consistent with the requirements of the public service.

Honourable Members of the Senate:

Members of the House of Commons:

I invoke the divine blessing upon your deliberations, confident that the measures submitted for your consideration will receive your earnest attention.

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

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

Motion agreed to.

SELECT STANDING COMMITTEES

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

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

Motion agreed to.

INTERNAL ECONOMY COMMISSION

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

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

LIBRARY OF PARLIAMENT

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

TRIBUTES TO DECEASED MEMBERS

THE LATE THOMAS MERRITT CAYLEY—THE LATE HON. EDMOND BAIRD RYCKMAN

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, once more it is my melancholy duty to record the passing of two of our members during the recess. We had barely separated after prorogation when death called one of our not very well known but very well beloved members, Mr. Thomas Merritt Cayley, member for South Oxford.

I sometimes wonder whether or not a recess has ever passed without death claiming one of the members of this house. Mr. Cayley's death was not unexpected; I think he himself realized that his days were numbered. He had lived for many years in the county which he represented; he was a representative of the very finest type of citizenship of the old province of Ontario. In his younger days he had been a teacher, and it is a matter of comment that during the last contest in the county which he represented he was supported very warmly and enthusiastically by large numbers of young men and women who had received instruction at his hands.

He was not very active in the business of this house, yet his fine business sense and his wide knowledge of insurance matters always gave singular importance to any observations he was pleased to make in this chamber. We will mourn his passing as a loss to that membership in the house which is represented by those who have passed through various stages of political life in the counties which they represent, and who in my judgment are the finest representatives of the finest type of Canadian citizenship. I offer to the right hon. leader of the opposition (Mr. Mackenzie King) and the members of his party my sincere sympathy in the loss of a very excellent hard working and distinguished member of parliament.

The other death that I have to record today is that of a colleague to whom I was warmly attached, and I find it difficult to express in adequate terms my sense of loss at his passing. The late Hon. Edmond Baird Ryckman was a son of the parsonage. He was born in Quebec, but in his early youth lived in Ontario, and I recall very vividly a conversation with him in which he indicated his early struggles in the city of Guelph, represented by my friend and colleague the Minister of Justice (Mr. Guthrie).

Mr. Ryckman was an extraordinarily good student. His career at the university was one of high achievement, he having been a gold

medallist in classics. Strange as it may appear in a chamber such as this, he retained in his later days a lively affection for the classics. He was a distinguished member of the bar, being a gold medallist when he was called, and a considerable authority on all matters pertaining to commercial transactions.

In his very early days he attracted the attention of leading business men in the city of Toronto, and from that time onward his career was one of increasing success. He was a man of exceedingly sound judgment; I think perhaps he had as sound judgment on matters concerning business affairs as any man with whom I have had contact. He had a wide outlook; he had travelled; and he had strong convictions. He believed in party government, and in his early youth he made sacrifices for his party that perhaps very few people know and probably would not understand if they did. He was devoted to the party of which he was a member, and in failing health continued to pursue his ministerial duties when under normal circumstances he should have retired. He realized the difficulties of administration of the department over which he presided, and, notwithstanding the fact that it was sometimes thought the administration of his department lacked sympathy with the public, there was no business man who had a keener appreciation of the difficulties other business men had to meet in connection with that same administration. In council his judgment was invaluable. His wide knowledge and his great capacity enabled him to assist very greatly in arriving at conclusions having to do with business transactions.

We on this side of the house mourn not only a beloved and distinguished colleague, but one who for a long period of years had been closely identified with the fortunes of the party which I have the honour to lead. If ever any man served the state without regard to his own personal health or comfort or happiness, that man was Edmond Baird Ryckman. He passed away, as hon. members know, a few short weeks after he had surrendered his portfolio. We parted with him with regret; we mourn his passing beyond words of mine to express. I am sure hon. members, whatever may be their political associations, who were privileged to know him and who were familiar with his wide knowledge of literature and of everything which in conversation and in social contacts endears one man to another, will join with me in asking you, Mr. Speaker, to extend to his family and to the family of the hon. member who sat opposite, our deepest sympathy in their great sorrow.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I desire to express to the Prime Minister (Mr. Bennett) my thanks, and those of the official opposition, for the sympathy he has extended to us in the loss of our late colleague, Mr. T. M. Cayley, the former member for South Oxford, and for the tribute he has paid Mr. Cayley's memory.

I desire to express to him, and to members of the Conservative party, more particularly to the members of the government, the sympathy of the official opposition, and the expression of my personal sympathy, in the loss they have sustained in the death of Mr. Ryckman, who, until quite recently, was a member of the present administration, and who was also a member of a previous Conservative administration.

The late member for South Oxford and the late member for Toronto East were both in ill health during the last session, and while we naturally hoped that their health in some measure might be restored, it cannot be said that in the case of either the end was wholly unexpected when it came.

Mr. Cayley was considerably the younger of the two, being only in his fifty-fifth year at the time of his death. He had, too, been in public life and a member of the House of Commons for a much shorter time, having entered in 1926 as the member for South Oxford, for which constituency he was again returned in 1930. His public career, though brief, was full of promise.

He was a native son of Oxford county, and his election as member for South Oxford was due in the main to recognition on the part of the electorate of the extent to which his life had been bound up in furthering the interests of the district, which was the home of himself and his parents. In all community movements, whether these related to politics, religion, or education; to furthering the interests of agriculture, or business, or the needs and activities of ex-service men, or fraternal organizations, he was foremost, over the greater part of his life.

Though a member of the House of Commons during two parliaments only, Mr. Cayley, as the Prime Minister has just said, made for himself a real place in its deliberations. He was a clear thinker and a good

speaker, with something more than a touch of humour in what he had to say. Experience gained as a teacher over many years, and special knowledge of insurance and other business matters, already referred to, lent a note of authority to his contributions to the debates in which he participated, a contribution always marked by a never-failing moderation and toleration in the expression of his views. He was one of the most dependable and conscientious of men in the discharge of his duties as a member of parliament, and one of the most loyal to his party and its leader. He was of a very kindly disposition and was well liked, and enjoyed the friendship and very sincere regard of many of his political opponents, as well as of all the members of his own party. We who knew him best will long cherish his memory.

The late Minister of National Revenue, Hon. Mr. Ryckman, was also fortunate in enjoying the friendship of not a few of his political opponents, as well as of all members on his own side of the house.

Quite apart from any differences of political opinion, which are well known, but of which I should not wish to speak at this time, I would say that I think it would be doing an injustice to Mr. Ryckman's memory to attempt to gauge his services to the country or to his party by the years during which he held the office of Minister of National Revenue which for him were years of greatly impaired health. His resignation from the cabinet some weeks ago was due to recognition on his part, as well as that of the Prime Minister, that, because of the very serious condition of his health, he was unable to discharge the duties of his office. He had been, in fact, far from well for a long time past. This was known to the Prime Minister, and I can say for myself and for the members of my party, that it was a fact ever present to our minds. I know it was a painful duty to the Prime Minister to feel obliged to accept Mr. Ryckman's resignation, just as I believe it was a feeling of loyalty which caused him to retain his colleague at his side as long as he did. There is nothing in public life, as there is nothing perhaps in private life, quite so difficult as to hold the scales evenly between our personal loyalties and our official duties.

What I think we can now see more clearly, and what was most admirable, and what we shall wish always to recall, is the tenacity with which the minister sought to discharge the duties of his office, greatly handicapped as he was, and the gallant fight he made to conquer an unconquerable foe.

While Mr. Ryckman's name will always have its association with parliament, the late minister's achievements were more largely without, than within, its halls. Those who, like myself, remember him in his university and law school days, are pleased to recall, as the Prime Minister has recalled, his early intellectual attainments, evidenced as a gold medallist both in arts and in law, and the success which a gifted nature helped to bring him in his profession and in business. The country is not likely to forget his patriotism, or the sacrifice occasioned his family circle by the great war.

Personally, I am inclined to place foremost, as deserving of highest remembrance, Mr. Ryckman's readiness in years such as those which have followed the great war, to continue to share in the public life of his country. It won for him the distinction of being a minister of the crown in two administrations, but even more worthy of remembrance, it seems to me, is the fact that he shared as well and with great loyalty, as the Prime Minister has said, the fortunes of his party when in opposition, and that for over twelve years he was a member of this House of Commons.

I join most sincerely, as do all hon. members of the opposition, in the expression of deepest sympathy in their bereavement, which you, Mr. Speaker, have been asked by the Prime Minister to convey on behalf of the house to Mrs. Cayley and to Mrs. Ryckman and to the members of their respective families.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King) have paid well deserved tributes to the memory of two former members of this house who have passed to the great beyond since the prorogation of the last session of parliament. May we in this part of the house be permitted, sir, to join in expressing to the families and relatives of those former members and colleagues our deep sympathy in their sorrow.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: In moving that the house do now adjourn, I suppose it is realized by all who are familiar with our practice that we shall meet to-morrow at three o'clock, and

I then hope to table a number of the documents referred to in the speech from the throne so that they may be available to those who may wish to participate in the debate on Monday. We hope also that we may be able to table to-morrow the estimates.

Mr. MACKENZIE KING: May I ask the Prime Minister if a report of the recent dominion-provincial conference will be tabled?

Mr. BENNETT: There is no report of that conference except such as is contained in the resolutions that were adopted and which will be laid upon the table. It was understood at the last three such conferences that no minutes were to be kept and that the discussions were not to be the subject matter of comment afterwards, in order that those who attended might express themselves with that freedom which they might feel was denied them if there was to be a report of what was said. I may say that that was the unanimous expression of the members representing the provinces, and in practice it has been found that they were able to speak with much more freedom and to criticize much more keenly various matters that affected perhaps their own interests than they otherwise could have done if a report had been taken of the discussions. For that reason no report was made of the recent conference and no report was made last year, as the right hon. gentleman will remember, other than that contained in the resolutions which were adopted.

Mr. MACKENZIE KING: Might I ask the Prime Minister if there will be a report with respect to the world economic conference?

Mr. BENNETT: As perhaps the right hon. gentleman may have observed from the speech from the throne, though possibly he has not yet had time to read it, the documents it mentions are to be laid on the table, and I propose to table them to-morrow.

Motion agreed to and the house adjourned at 4.25 p.m.

Friday, January 26, 1934

The house met at three o'clock.

VACANCY

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

[Mr. Bennett.]

Of Hon. Edmond Baird Ryckman, member for the electoral district of East Toronto, by decease.

I accordingly issued my warrant to the chief electoral officer to make out new writs of election for the said electoral district.

DOMINION-PROVINCIAL CONFERENCE

Right Hon. R. B. BENNETT (Prime Minister): I desire to lay on the table two copies of the recommendations with regard to unemployment relief measures for 1934, adopted at the Dominion-Provincial conference last week. The French copy is not yet translated, but I have handed a copy of this document to the leader of the opposition (Mr. Mackenzie King) and the leader of the group to the left of the official opposition (Mr. Gardiner).

BANKING COMMISSION

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I am laying on the table the report of the royal commission on Banking and Currency in Canada, together with a copy of the evidence presented to that commission. It will be observed that this evidence is contained in seven volumes and is voluminous. We have had six copies placed in the library which will be available immediately for the benefit of hon. members of the house. I am informed, further, that copies have been prepared for the use of the committee on banking and commerce.

MAIN ESTIMATES 1934-35

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1935 was presented by Hon. E. N. Rhodes (Minister of Finance), read by Mr. Speaker to the house and referred to the committee of supply.

SUPPLY

Hon. E. N. RHODES (Minister of Finance) moved:

That this house will on Monday next resolve itself into a committee to consider of a supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

Hon. E. N. RHODES (Minister of Finance) moved:

That this house will on Monday next resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT moved the adjournment of the house.

Mr. MACKENZIE KING: Is it the intention of the government to proceed with the debate on the address until it is concluded?

Mr. BENNETT: We will follow the practice which for many years has been adopted in the House of Commons in London, and one which we have followed for the last two years. We will proceed with it in its course upon the order paper.

Motion agreed to and the house adjourned at 3.28 p.m.

Monday, January 29, 1934

The house met at three o'clock.

THE LATE HON. E. B. RYCKMAN

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on November 28 last Hon. E. B. Ryckman tendered his resignation as Minister of National Revenue, which resignation was submitted to His Excellency the Governor General and accepted. A letter to that effect was written to the retiring minister on November 30, 1933. His successor, Hon. R. C. Matthews, was appointed on December 6, 1933. I lay on the table the correspondence in connection with the resignation because of ill health of the retiring minister.

PRECIOUS METALS MARKING ACT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved for leave to introduce Bill No. 2 to amend the Precious Metals Marking Act, 1928.

Some hon. MEMBERS: Explain.

Mr. STEVENS: Mr. Speaker, this is merely a consolidation and revision of the act as it stands at present for the purpose of bringing it into harmony with the changed conditions obtaining in the businesses affected by this act. It does not introduce any radical or new measures; it is merely a general revision of the act. We will explain it in detail, of course, when the committee stage is reached.

Motion agreed to and bill read the first time.

INTOXICATING LIQUORS ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 3 to amend the Importation of Intoxicating Liquors Act.

Some hon. MEMBERS: Explain.

Mr. GUTHRIE: Mr. Speaker, the amendment which is sought to the Importation of Intoxicating Liquors Act, commonly known as the Doherty Act, is rather technical, and is introduced at the instance of the Attorney General of Ontario. It seems that it has been the custom during past years for brewers in Ontario to ship direct to consignees in the province of Quebec who are authorized by the Quebec Liquor Commission, but the Doherty Act provides that shipments may be made only to the Liquor commission itself. The proposal now is to insert the word "or," so that the act will read that shipments may be made to the liquor commission, "or to an agency which by the law of the province is vested with the right of selling intoxicating liquors." The practice has been going on for a long time, but it is a technical contravention of the present law.

Motion agreed to and bill read the first time.

BUREAU FOR TRANSLATIONS

Hon. C. H. CAHAN (Secretary of State) moved for leave to introduce Bill No. 4 respecting the Bureau for Translations.

Mr. E. R. E. CHEVRIER (Ottawa): Will the hon. minister kindly explain this bill?

Mr. CAHAN: This bill is for the purpose of creating a Bureau for Translations, which shall include translators of various departments exclusive of those engaged in the ordinary secretarial and stenographic services of the several departments.

An examination shows that in January last there were in the public service ninety-one such translators from English to French and from French into English, and one other translator, attached to the Department of the Secretary of State, who does translations into all European languages other than French and who performs services for all departments, including the Department of Trade and Commerce, the Department of Immigration and the Department of Justice, which includes the Dominion police. These ninety-one translators receive salaries aggregating $252,000 annually and that amount is paid in addition to the amount paid for typewriting, stenographic and secretarial work which appertain to the same translations.

The situation is such that the department of the Secretary of State either must have a number of translators attached to it or must be able to avail itself of the services of some one or more of these ninety-one translators. For instance, the Department of the Secretary of State has to procure a translation of the address of His Excellency the Governor General at the opening of parliament, but there is no translator to whom I can apply to have that work done, so I have been dependent upon the gratuitous service of personal friends, or to pay others to make that translation from time to time. In addition we have a very considerable number of important state documents of which the Secretary of State, as Registrar General, is the conservator or keeper or guardian. Yet some time ago, when a treaty dealing with the waterways was signed between the government of Canada and the government of the United States, there was not a single translator to whom I could apply or to whom I had the right to apply to make a translation of that document from English into French for circulation as required. In respect of private, confidential documents such as that, I had to enlist the services of a personal friend to make the translation. There were other documents such as the convention between Ontario and Quebec in regard to the same waterways, and in connection with them there was no one in the public service to whom I could apply for a translation. I had to go outside to procure the services of a friend to make such translation. And so it is that the different departments are from time to time called upon to prepare in both English and French very important state documents.

On review of the matter it was recommended, first by the civil service commission that, to avoid the appointment of a number of translators in addition to the number I have mentioned, and in view of the fact that a consolidation had been made under the Minister of Finance of the accounting systems of the different departments, a bureau might be created to which the existing translators would be attached, subject to the civil service commission in every respect, which could be called upon authoritatively to translate state documents as from time to time throughout the year they may be required.

Mr. LAPOINTE: Would that bureau be under the minister?

Mr. CAHAN: It was suggested that it should be under such minister as might from time to time be appointed by the governor in council to administer the act, and that a superintendent of the bureau should be appointed by the Civil Service Commission, from among the existing translators, who would superintend the actual work and such distribution of work as might be deemed necessary. For the present the word "minister" where it appears in the bill means the Secretary of State for Canada, or such other minister of the crown as may from time to time be appointed by order in council to administer this legislation. However I prefer to discuss the matter when the bill is actually before the house upon second reading, at which time all members will have access to it.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

ST. MAURICE DE L'ECHOURIE, QUE., WHARFINGER

Mr. BRASSET:

1. Who is the watchman of the wharf of St. Maurice de l'Echourie?
2. What was the amount of revenue from the fees charged in 1931 at the said wharf?

Mr. DURANLEAU:

1. Ovide Cloutier is wharfinger—no knowledge of any watchman.
2. $20.15.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING CONSIDERATION OF GOVERNOR GENERAL'S SPEECH

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister if the house was not to understand from his motion of a few days ago that the speech from the throne would be considered to-day, and that this order would receive precedence over all others? It has been customary on former occasions to proceed in that manner.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it was my intention that consideration of the Governor General's speech should appear on the order paper following questions. However I understand from the clerk of the house that having regard to the terms of the motion the order paper should be as it is. I propose, with the consent of the house, that the order for notices of motions might stand, without losing their position on the order paper, that gov-

ernment notices of motions also should stand, and that the house should proceed to the consideration of the Governor General's speech, as appearing at page eleven of the order paper.

Mr. SPEAKER: The understanding is that the motions under the heading of notices of motions will stand, without losing their position on the order paper, and without to-day being affected by standing order 52 which provides:

When a private member's notice of motion shall have been twice called from the chair and not proceeded with, it shall be dropped.

VANCOUVER HARBOUR COMMISSION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to ask the Minister of Marine (Mr. Duranleau) a question with respect to certain dispatches which have appeared in the press. Has the resignation of the Vancouver board of harbour commissioners been asked for, received or accepted?

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, to this day I have personally received no resignation from the harbour commissioners of Vancouver. I may be in a better position to-morrow to state the situation exactly.

NEWFOUNDLAND

ROYAL COMMISSION TO INQUIRE INTO FINANCIAL SITUATION AND PROSPECTS

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, may I ask the government if it is their intention to table the Amulree report on Newfoundland, and if so, when?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it was not proposed to table it. The report was not in any sense connected with the operations of this government. The government of Canada was asked to name a commissioner to sit with commissioners from Great Britain and Newfoundland. With that in mind Mr. Magrath was selected.

UNEMPLOYMENT RELIEF

MEDICAL SERVICES IN CITY OF WINNIPEG

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, is the government aware of the action taken recently by the medical profession of the city of Winnipeg with respect to medical services formerly afforded families on relief? If so, in the event of other means failing, will they intercede on behalf of these people and see that they are afforded proper medical services.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, representatives of the medical profession met me in Ottawa some weeks ago, and later a communication was sent to them indicating that there was no reason to believe that the provinces would not discharge their constitutional duties with respect to the health of their citizens. That point has been stated and restated so often it is difficult to understand why a question should be asked with respect to it.

CANADA SHIPPING ACT

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I should like to ask the Minister of Marine (Mr. Duranleau) if it is his intention this year to proceed with the amendments to the Canada Shipping Act?

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, the matter is under consideration

Mr. MacINNIS: When will we have an answer?

Mr. DURANLEAU: Within a few days. We are waiting for more information from other parts of the empire so that as far as practicable the legislation may be uniform.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY MOVED BY MR. GOBEIL AND SECONDED BY MR. BARBER

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

Mr. SAMUEL GOBEIL (Compton) moved:

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

He said: Mr. Speaker, representing a constituency where the English speaking element makes up an important proportion of the community, may I, at the outset, take a few minutes to express to them, in their own mother tongue, my heartfelt pride in having been designated, I their humble representative, to move the address in reply to the speech from the throne.

However, I harbour no illusion for I am well aware that it is not my humble person which has made me worthy of this honour, but my claim as rural representative of this little Canadian Switzerland, known as the eastern townships of the province of Quebec, and which, in 1930, returned six members to carry out the policy of our illustrious Leader of whom the present government feels so proud.

The eastern townships, and more particularly the county of Compton first, were settled by British stock, of English, Scotch and Irish origin.

When the declaration of American Independence took place, many loyalists desirous of living under the protection of the Union Jack transferred their home to the eastern part of our province.

Among them there shone a true leader, one inspired by lofty views, who contributed more than any to give to this corner of our province a special character of bilingualism. This man whose memory still is cherished in the annals of our history, bore the name of John Henry Pope. He took an active part in the affairs of our country, became first member for the constituency of Compton in 1857 when the provinces of Ontario and Quebec were joined together, and later joined the cabinet of Sir John A. Macdonald. He was the first to conceive the idea of settling French Canadian parishes in the county of Compton, along the United States border. Greatly encouraged by the clergy of the time, he took advantage of the repatriation movement, then in full swing, from 1870 to 1880, so as to bring back from the United States a large number of French Canadian families.

In this, the untiring co-operation of the colonization society of the county of Bagot, proved to be a precious help and attracted to our section of the country numerous families from the older parishes of the Richelieu and Yamaska valleys.

On many an occasion he publicly proclaimed that the settlement of these French Canadian parishes along the United States border was our strongest bulwark against American invasion.

Such was the spirit which gave birth to the settlement of these bilingual parishes. It is, therefore, not astonishing that the two races have always lived together in an unbroken harmony.

(Translation) Now, Mr. Speaker, the fifth session of the present parliament begins, I think, most auspiciously. Canada seems to have definitely reached the stage of readjustment, a forerunner of prosperity, the only one compatible with a young country endowed by Providence with an unparalleled wealth of resources. The Imperial conference agreements, in force for over twelve months, have given most satisfactory results, and the government under the leadership of the present Prime Minister (Mr. Bennett) has cause to rejoice.

May I, sir, quote a few figures gathered from our official statistics, they refer to the increase of our agricultural products exported to England, without, however, including the other component parts of the British Empire. I note that from October, 1932, to October, 1933, these agreements have greatly benefited the Canadian fruit industry, and it is noteworthy that these products are of the utmost interest to all the provinces of Canada, with the exception, perhaps, of the three prairie provinces. In the course of those twelve months, we exported to the United Kingdom 1,753,601 barrels of apples, compared with 1,407,047 barrels for the previous twelve months, thus showing an increase of 25 per cent. During the same period we exported, in 1932, 136,975 pounds of dried apples, while in 1933, we exported 511,025 pounds or an increase of 275 per cent.

In 1932, always during the same period, our exports of various preserved fruits amounted to 7,184,063 pounds, while in 1933, the figures reached 16,479,000 pounds, or an increase of 129 per cent. As to canned vegetables, our exports which amounted to 7,570,295 pounds in 1932, reached in 1933, 10,263,802 pounds or an increase of 36 per cent.

In 1932, we exported to the United Kingdom 172,462,000 feet of planks and boards; in 1933, 450,000,000 feet, and it is to be noted that the price of this lumber has been increasing within the last six months. Meat exports show interesting figures. Poultry exports—this item is of interest to all the provinces, including the western provinces—increased from 338,094 pounds in 1932, to 1,026,513 pounds in 1933, or an increase of more than 200 per cent. Bacon from 317,022 cwts to 605,088 cwts. or an increase of 91 per cent, and the price of pork has more than doubled within the last twelve months, moreover, the Canadian farmer has an opportunity of considerably increasing his output of bacon, since the quota of our exports is still far under the one agreed upon.

As to cattle the prices have not been as satisfactory as those of pork, although there has been of late an improvement, especially as regards those which meet the British market requirements, and the difference in prices

should induce the Canadian farmer to improve his herds by all possible means. I, here, sir, put a question to the Canadian farmer: What would have been the cattle situation of this country, during the year just ended, if the 53,000 head of cattle which we exported to the United Kingdom during 1933 had been thrown on the Canadian market? I leave the answer to our farmers; however, I beg to remind them that this government has done for them in a few months, what no government for the last 35 years was able to carry out; moreover under the regime of our opponents, not only were we debarred from the British market, but our neighbours to the south, to whom we sold for more than $21,000,000 worth of live stock when the Liberals assumed power in 1921, had, during these nine years, so highly increased their tariff on Canadian cattle, that, in 1930, the last year of our opponents' regime under the right hon. leader of the opposition (Mr. Mackenzie King), we only sold to them about three quarters of a million dollars worth; and the government of that day, apparently did not bestir itself to remedy this disastrous situation. Since I have broached the subject of cattle, may I comment briefly with reference to the tuberculin test of our cattle. Immediately after this government assumed power, the hon. Minister of Agriculture (Mr. Weir) adopted the policy of indemnifying the owners of steers found to be tuberculous, this put an end to an injustice and was greatly appreciated by the farming community. However, according to the regulations in force, the cattle which react remain the property of the farmer, but he must dispose of them immediately, so as not to contaminate those that are healthy, and he must furthermore disinfect his stables. He must, therefore, sell them for what he can get, the sale price varying between three and five dollars per head. These diseased cattle are sent to the slaughterhouse, and, I think, I am well within the mark in stating that 75 per cent are sold for human consumption. I shall not discuss the hygienic viewpoint, which is outside of my sphere; however, I have no doubt that the cheap sale of these cattle has a disastrous effect on our meat markets. I would suggest that there be added to the indemnity paid to the farmer for his contaminated cattle, the price which he receives to-day for the carcass of these animals and that the latter instead of finding their way to our markets, be used as fertilizers. I feel confident that it would practically cost the country nothing and would considerably enhance the prices of meat on our markets.

I could, sir, enumerate many more products for which we have obtained considerable advantages through these Imperial agreements, without going outside of agriculture where I wish to remain; however, lest I should be reproached for taking advantage of the patience of this hon. house, I shall simply consider them from the viewpoint of the dairy products and more particularly of butter. Hon. gentlemen opposite seemed to have derived much satisfaction from the fact that price levels of butter within the last four years had dropped; the pleasure which they derive interests them more than the loss sustained by the Canadian farmer. In their oratorical flights they taunted the right hon. Prime Minister; the latter, if we are to believe them, ensnared the people by false promises as regards the price of butter. May I remind these hon. gentlemen that there are statistics which speak more eloquently and especially more truly than their denunciations.

An hon. MEMBER (Translation): Hear, hear!

Mr. GOBEIL (Translation): During the last two years of the Liberal regime, the Canadian producer received for his butter, in 1929, an average price of 39·27 cents per pound, and of 31·07, in 1930. I take as a basis of comparison the wholesale prices of the Montreal and New York markets. The United States farmer received as an average price 45·01 cents per pound in 1929, and 36·53, in 1930, or 5·74 cents, in 1929, and 5·46 in 1930, more per pound than the Canadian farmer. During the last two years these prices were 19·98 cents, in 1932, and 20·57 in 1933, in Canada, and 20.99 cents in 1932, and 21·33, in 1933, in the United States showing only a difference of 1·01 cent for last year and 0·76 for this year, in favour of the United States market.

However, one must consider, and our friends opposite should remember in their oratorical flights, that, under their regime, from 1921 to 1930, the United States increased their tariff on Canadian butter from 2½ cents to 14 cents per pound and as much as fifty and some odd cents on cream, which had the effect of completely closing the market of our neighbours to the south to our farmers and the latter are quite aware of this; they have also found out that the only market opened to their products is not the United States, but London. Now, sir, what have been the prices of butter on the London market, compared to those of Canada,

within the last two years? In 1932, the average price on the English market was 17·42 cents per pound, and, in 1933, 16·46 cents; or 2½ cents and 4 cents per pound less than on the Canadian market, and these prices are for New Zealand's best butter. All know that the butter of that country has an advantage of ½ a cent on Canadian butter; here, again, I ask the Canadian farmer what would have been the price of Canadian butter, if this government had not taken the necessary means to curtail the imports of foreign butter imported under the Liberal regime. There is but one answer to this, sir, and the farmer knows it well: this year, he would have received 4 cents less for his butter than what he actually received.

Sir, there still remains to find out whether the Canadian citizen fully realizes the great endeavours made by this government in order to help him to weather the crisis which has held the world in its clutches for more than four years; whether he appreciates to its full value the advantages that this government obtained for his products, thanks especially to these Imperial agreements.

I think, I can answer without hesitation in the affirmative and I desire no further proof than the event which took place in the Canadian capital, in June last, at the congress held by the young Liberals of Canada, and which was designated under the pompous name of the "Liberal Association of the twentieth century." In order to better understand the significance of this event, it is well to somewhat examine the past. All are aware that these imperial agreements were repudiated by the opposition. The hon. member for North Winnipeg (Mr. Heaps), with whom the right hon. leader of the opposition has sometimes mysterious dealings, but who, however, at times shows independence of the Liberal party, made, with reference to this opposition to the Imperial Conference agreements, the following statement which I find at page 291 of Hansard, session 1932-33:

> We have had to-day, Mr. Speaker, a very important pronouncement on the part of the Liberal party. If I am to interpret what the right hon. leader of the opposition stated, I would infer that at the first opportunity, when the Liberal party crosses the floor of the house and becomes the government of the country, they will abrogate the treaties that are now really in effect. I think I am not doing them an injustice by putting that interpretation on the remarks of the leader of the opposition.

Such an interpretation of his statement was never repudiated by the right hon. leader of the opposition. It is therefore an explicit statement which should be looked upon as the motto of the opposition. Do you think this to be a fact and that all the factions of the Liberal party look upon these agreements unfavourably? No, Mr. Speaker, and I wonder what feelings of deep sorrow and at the same time of anger must have filled the soul of the right hon. leader of the opposition and the hon. member for Quebec East (Mr. Lapointe), when they found out that the youths of the Liberal party repudiated and brushed aside the resolution of the Liberal party which was to do all in its power to abrogate the agreements concluded at the Ottawa Imperial Conference. Naturally, we on this side of the house, were too far away to hear the grinding of teeth; however, does not this disavowal furnish the best evidence of approbation given by political opponents in favour of this government's policy with reference to the imperial agreements? The legislation on agriculture which will be brought down this session, will no doubt comprise certain changes, permitting our farmers to still benefit in a greater measure by the advantages granted to our country. Together with the cooperation of the provinces, these advantages will considerably increase in the future.

The outlook, at the beginning of this year, is most encouraging which permits us to state that the crisis is almost at an end, and that the upward trend of business is being greatly felt. No doubt that the dawn of this prosperous era is very welcome to all citizens of this Dominion which is on the eve of brilliantly celebrating the fourth centenary of the discovery of our dear Canada. If the great St. Malo navigator, Jacques Cartier, returned to this land where he sowed the benevolent seeds of civilization he would acknowledge that those to whom he left the arduous task of continuing his work have not failed in the task. With a legitimate pride, he would see this country still young, giving to the whole world the example of a sound, honest and progressive administration. In spite of numerous obstacles, our dear Canada has remained one of the few countries in the world respectful of order, liberty and peace existing among the various sections of our people.

The illustrious French discoverer would feel a legitimate pride in hearing the language of the most civilized kingdom of his day, spoken so fluently by the most distinguished representatives of His Majesty King George V, and he would also rejoice to hear the gracious consort of our illustrious Governor reechoing as in the rhythm of an entrancing lullaby:

> "Ce langage aux douceurs souveraines,
> Le plus beau qui soit né sur des lèvres humaines."

With this thought of remembrance of our glorious past and a hope in our no less glori-

ous future, I have the honour to move, seconded by the hon. member for Fraser Valley (Mr. Barber), that an address be presented to His Excellency the Governor General, to humbly thank His Excellency for the gracious speech he was pleased to make to the two houses of parliament.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, upon rising to second the motion of the hon. member for Compton (Mr. Gobeil) may I be permitted to express to the Prime Minister (Mr. Bennett) and his colleagues my appreciation of their recognition of the Pacific coast province and the honour they have done the Fraser Valley constituency by inviting their representative to second this important motion. I have been told that in making this choice the qualifications taken into consideration by governments are youth and inexperience and no doubt these applied in choosing a member from British Columbia.

The task which I have been asked to undertake to-day is a pleasant one compared with that of last year and the year before. During the last two years the most one could do was to express a somewhat pious hope that conditions might improve, but to-day we are entering a new year with something more than hope. We have before us definite evidence that the clouds are lifting, that the downward spiral of the depression has been checked and that the upward movement has been in progress in Canada for the last eight or ten months. The speech draws to our attention the improved world conditions and the fact that these have been reflected in Canada by expanding trade, increased revenues and increased employment. The optimism which prevails to-day throughout the whole dominion has been reflected in the speech. It would perhaps be difficult to find any one year since the war that has been so crowded with climaxes as the year 1933. We had the American crisis and the measures with which it was met; we had the world conference; we had the German revolution; we had the disarmament deadlock and the wild dance of world currencies, some of which have been wholesome while others have been very disconcerting. But the underlying fact remains that in the midst of the lashing surf the tide has turned.

The world is gradually returning to economic stability. In Great Britain a higher level of prosperity has been manifest and the British people regard the depression as a thing of the past. This condition is reflected in other parts of the empire. In European and leading Asiatic countries there is, in the main, a marked improvement. Upon this continent and elsewhere the forward march has resumed; world trade which had sunk to one-third of its normal volume is expanding again. To no country in the world is this more important than to Canada, as normally we export one-third of our total production, and to that extent our economic destiny is bound up with that of our neighbour nations.

The development of trade is a function of government, and although the general improvement in world conditions has been reflected in this country, at the same time I believe that the great mass of the Canadian people realize that the return to better conditions in this country must be credited to the untiring efforts and the policy of the present administration. In 1930 the leader of the Conservative party, the present Prime Minister (Mr. Bennett), gave to the people of this dominion a pledge that if he were placed at the head of government in this country he would see to it that Canadians were afforded an equal opportunity with their competitors to carry on the development of Canada. That pledge has been fulfilled to the letter.

In order to give that opportunity the tariff was increased; the Customs Act was amended to prevent the dumping of surplus products of foreign countries on the Canadian market, and this action alone saved many producers in Canada from complete ruin. We have been told that the tariff is high, and there is no doubt that we shall be told again this session that the tariff is high. We admit that it is high. But, as the Prime Minister has pointed out on more than one occasion, the tariff is simply an instrument, and under present conditions it has been applied in cases of emergency. Other instruments have been used, instruments perhaps more painful than the tariff—the dumping duty and even the embargo—have been applied in order to save Canadian industry.

Those of us who come from fruit districts, and from districts where other lines of farm produce are grown, fully realize the great benefit that has been derived from the imposition of these dumping duties. In my own district, where large quantities of small fruits and vegetables are produced, had it not been for the dumping duty against surplus American products, these producers would have been out of business two years ago. This applies not only to districts in British Columbia, but to other districts throughout Canada.

At the same time this government has directed its efforts, and with considerable success, towards selling Canadian products. Through trade commissioners, through treaties

and through agreements we have been successful in increasing Canadian exports. To this end, agreements have been entered into with empire countries, treaties have been made with foreign nations, and there is not the least doubt that, so far as Canada is concerned, the recovery commenced with the family agreement entered into at the imperial conference in 1932.

Although we completed just a few months ago the first year under these agreements, a wonderful development has taken place in empire trade. The first nine months of the present fiscal year saw our exports to empire countries increased by 18 per cent, while our imports advanced 13 per cent. There were 22 empire countries to which increased exports went and 17 from which increased imports came. In the nine months we increased exports to the United Kingdom by $26,000,000 and increased imports from Great Britain by $11,000,000.

We all remember quite well the opposition to these agreements. I believe the leader of the opposition (Mr. Mackenzie King) even went so far as to say that if his party were returned to power they would not consider the agreements binding. But one argument which has been used in this house has been repeated throughout the whole country, namely, that by entering into these agreements we were putting an iron band around the nation and that we would not be in a position to enter into agreements or to do business with foreign countries. That contention was exploded very shortly after the passing of the treaty, in the case of Great Britain.

I would point out that during the first nine months of the present fiscal year our exports to foreign countries increased by 12 per cent while our imports from these countries decreased by 7 per cent. We increased exports to 51 foreign countries, and from 41 foreign countries increased imports came. We made a new treaty with France and renewed the agreements with Germany and Austria. As a result of the new treaty with France we increased exports to that country by 50 per cent in a period of five months. We sold to Germany 5½ per cent more; to Italy 3 per cent more; to the Netherlands 16 per cent more; to Colombia 7 per cent more; to Peru 3 per cent more, and to Mexico 16 per cent more. We even sold to the United States 22 per cent more of agricultural products than we did the year before.

In the extension of trade, in the widening of markets, the record of this government over a period of two years will compare quite favourably with that of the previous government over a period of eight years. Under the most trying conditions, Canada once more has stepped forward into fifth place among the exporting nations of the world—a record which, I think, Canada might well be proud of. At the same time the government has directed its efforts successfully to restoring equilibrium between sales and purchases. Indeed, not only has equilibrium been restored, but we have done a little better, so that an unfavourable trade balance of $110,000,000 in 1930 has been turned into a favourable balance of $134,000,000, or a betterment of $244,000,000, which has meant a great deal to us in discharging our international obligations.

I wish now to direct the attention of the house to the increased trade that has resulted from empire agreements, as reflected in British Columbia. It is particularly noticeable in the all-year-round ports of that province. I say all-year-round ports, and I should like some hon. gentlemen from eastern Canada to appreciate the fact that to-day pleasure yachts, coastal steamers and great liners are passing in and out of the ports on the Pacific coast. In the great fresh water port of New Westminster, according to the figures compiled by the secretary of the harbour board, nearly every commodity passing over Fraser river docks has been handled in greater quantity than during the previous year. Deep sea ships calling at that port increased from 311 to 409; lumber exports went up 30 per cent, over 216,000,000 feet; bar metal exports increased nearly 60 per cent; exports of wheat ,from less than 200,000 bushels in 1932, increased to over 1,500,000 bushels in 1933.

Then we come to Vancouver, the greatest shipping port on the Pacific. The harbour commission reports show that in spite of a great drop in the export of grain there was an increase in the export of almost every other commodity. You will see the colours of half a dozen nations in this harbour in one day. You will find British ships loading for Britain and Australia, the orient and the continent, ships flying the Rising Sun of Japan, stowing logs, grain and scrap iron for the far east. There will be seen a Danish vessel taking on wheat, apples, lead and fish for Holland and Germany; the Cross of Norway flying from a ship laden with wheat, pulp and tallow for France and Britain; Dutch and American vessels loading zinc, flour and salmon. You will find there the tricolour of France, Hitler's swastika, the

banner of Italy and even the flag of Jugoslavia. From this harbour last year ships carried our products to a dozen empire and ten foreign countries. The chief impetus of this trade was empire reciprocity. Preference for all the natural products of the dominion has offset the tariffs that locked to us the markets of foreign lands.

The year 1933 brought general improvement to the industries of British Columbia. The latest information available shows a general increase of over $7,000,000 in value of products as follows:

Commodity—	Increase in value
Lumber	$4,000,000
Mines	2,000,000
Fisheries	1,000,000
Agriculture	100,000

Industrial pay-rolls compiled from returns comprising some 3,500 firms amounted to over $110,000,000 for the year, or an increase of $7,000,000 over the previous year. There was also a gain in the peak volume of employment as indicated by an increase in the numbers of men and women at work. A gain was marked by the addition of more than 3,000 men to the logging camps during the year, while active mining development caused a considerable upturn in employment. Those in the logging trades shared a pay increase averaging around 12 per cent.

Not mentioned in any record are the secondary benefits coming from the improved conditions in the major industries throughout the province. For instance, new towns are springing up in mining centres; small sawmills, long closed, are now opening, increased mining activity having placed many of these back into production during the year. Another secondary benefit is evidenced in transportation, in connection with the development of mining in British Columbia, we find increased business done by air transportation, truck and motor and the railways.

Under the empire trade agreements perhaps no industry has benefited as much as that of lumber. Lumber exports from British Columbia to points outside North America have reached the highest level in the history of the industry, exceeding, by 110,000,000 feet, or 35 per cent, the previous record established in 1930. Instead of one-quarter, British Columbia is now shipping almost three-quarters of its sawn lumber to overseas destinations and it is now the leading lumber exporting area of North America. Shipments to Great Britain, Australia, China and South Africa are all higher than in the previous year, exports to Great Britain showing an increase of more than 100 per cent over 1932. Of the lumber shipped from the Pacific coast to Great Britain during 1933, British Columbia shipped 70 per cent as compared with only 45 per cent during 1932. The Australian market is becoming of extreme importance to my province. In 1933 Canadian shipments to Australia, due to the preference granted the Canadian product under the Ottawa agreement, accounted for over 90 per cent of the total orders for lumber from the Pacific coast.

Perhaps one of the brightest features is the improved condition of the municipalities of the province. Almost every muncipality, according to its annual report, in spite of loss of revenue due to reduced government grants and increased social service costs, ended the year with a surplus.

I think we should pay a compliment to the city of Vancouver for the manner in which it has looked after unemployment; perhaps no other city of its size on the continent has had such a problem. Principally owing to its mild climate people from the prairies and from the northern sections have drifted to Vancouver and increased that problem, but in spite of all that Vancouver enjoys the distinction of being one of the very few cities of Canada that has met its cost of relief out of ordinary revenue. So much for the definite improvement in conditions not only in British Columbia but throughout the country.

Another industry which is mentioned in the speech from the throne and to which I should like to refer, is agriculture. As has been pointed out agricultural products have been low in price. That condition exists not only in Canada but in every country throughout the world and it is a problem with which every nation is struggling at the present time. When we turn to agriculture, the basic industry of Canada, the picture, in spots, is not so bright. The bright part of the picture is that in Canada many agricultural products are higher in price than in many other countries. I am just reminded that when hogs were selling here the other day at $8.50, they were selling at $4 in Buffalo. Eggs, butter, lamb and a few other products are higher in Canada than in the United States. This can fairly be credited to the present administration, particularly to the efforts of the Minister of Agriculture (Mr. Weir) and the Minister of Trade and Commerce (Mr. Stevens). The empire agreements provided the outlet; increased prices followed.

But, as I have said, conditions are not what we desire in the agricultural industry. It is still extremely difficult for Canadian farmers to find profitable outlet for a number of

their surplus products. If the proposed legislation provides for the setting up of something in the nature of a marketing board, I am sure this will be welcomed by the agricultural industry. But in Canada to-day we are faced with something more than that; we are confronted with the problem of orderly marketing within our own country. It is, I think, generally believed that co-operative marketing, while it has effected many improvements, has failed to accomplish all that it was expected to do. The failure of cooperative marketing has been due to a tendency on the part of a comparatively few producers to refuse to cooperate, and to such producers seeking to take advantage of the better conditions generally brought about by the co-operative organizations. In other words, 100 per cent of voluntary cooperation amongst farmers has proved to be impossible. The breaking down of orderly marketing within our province has been disastrous to the dairy and fruit industries. The dairy industry in the Fraser valley, to put it mildly, is in a demoralized condition. Milk is being produced at less than cost of production and this situation naturally cannot continue much longer or many farmers will be forced off their farms, compelled to sacrifice their stock and seek relief. Engaged in this industry there are 4,000 farmers with 60,000 head of dairy stock representing an investment at present day prices of $25,000,000. These men are now looking for government action to save the industry from ruin. Such conditions are not confined to British Columbia. Those of us who last year sat on a committee which investigated the dairy industry are quite aware of this fact. The demand now comes from, not 50 per cent, but 90 per cent of the producers of our province for compulsory legislation. Canadian farmers, speaking through their respective organizations, point out that such legislation has been granted by the British parliament to the farmers of Great Britain; it has also been provided for the farmers of the United States and our farmers believe that they should be granted similar legislation and powers. It has been pointed out that the compulsory legislation in British Columbia was successful until declared ultra vires in 1931 by the privy council. It is claimed that if it were in force to-day in that province it would increase the purchasing power of the Fraser valley dairymen by at least $500,000 a year without raising the price to the consuming public.

I want to make it quite clear that these producers fully realize that legislation such as the British Marketing Act does not come under the jurisdiction of the federal parliament, but that owing to our set-up of government comes under the jurisdiction of the legislatures of the various provinces. Owing to the ruling of the privy council, however, it is felt that in order to make such legislation sound it will be necessary that something in the nature of enabling legislation be passed by the federal parliament. It is to be hoped, following the conference with the provinces and while the present legislation is under consideration, that some satisfactory arrangement may be made between the governments in order to afford relief to these industries.

There is one other matter on which I should like to touch, but before proceeding to do so may I say that I have just noticed in the speech from the throne some mention of relief camps. During past sessions we heard considerable criticism of the camps operated in the province of British Columbia. I have made it my business to visit these camps occasionally, and I wish to say that I have heard many compliments from different parts of the district with regard to the manner in which the Department of National Defence has conducted these camps. I have discussed matters with the men in the camps. They appeared satisfied and they paid many compliments to those in charge.

We are pleased to note in the speech from the throne the suggestion that some program of public works be undertaken. I do not believe the people of Canada expect this country to launch a very extensive scheme, certainly nothing to compare with that undertaken in the nation to the south. We do believe, however, that this is the opportune time to introduce something of this nature in order that private industry may be stimulated and more and more people brought back to employment.

One other matter which remains to be dealt with is the question of the central bank. Those of us who have been here during the past two or three sessions will remember that there have been demands from practically every corner of the house for legislation of this nature. The world economic conference decreed that every developed country should have a central bank to facilitate international credit and currency action. Since last session the government has had the project examined by a body of experts, and I think all will agree that the royal commission which was constituted last fall was well chosen. Their sittings in all parts of the country were notable for the freedom with which all possible evidence was received and for the patience

and tact displayed in dealing with the material submitted. As a result of this inquiry it is believed that a properly constituted central bank can be developed as a useful adjunct to our banking system.

In conclusion, Mr. Speaker, I wish to say that there is one charge that cannot be made against this government. It cannot be said that they refused responsibility or that they lacked courage. During these most difficult times, under sane leadership our great institutions have weathered the storm. We have met our contracts on the terms laid down both at home and abroad, with the result that Canada's credit stands high in the markets of the world. This was evidenced by the loan which was floated in London during the past year, and which was over-subscribed about four times. We have been able to cope with conditions caused by drought. We have met the problem of unemployment as successfully as any other country. Trade and commerce has gradually improved, and the future is bright. Under these conditions Canada's record is one of which every Canadian citizen might well feel proud.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, when the leader of the opposition rises to speak on the address it is customary for him to open his remarks by extending his compliments and congratulations to the mover and seconder of the motion which your honour has just read. That custom has arisen from the circumstance that usually the honour of moving and seconding the address is accorded to newly elected members of the House of Commons. Unfortunately for hon. gentlemen opposite all the newly elected members of the house are on this side, and the government have been obliged to fall back on two of their stalwarts to support the policies of the administration and to make the best of those policies from the government's point of view.

I congratulate the hon. gentlemen who respectively have moved and seconded the address, not on what they have said, because I am afraid I shall have to disagree with most of their statements, but upon having discharged their duty in a manner which I am sure has commended itself to the Prime Minister (Mr. Bennett) and to their fellow members. I should like to extend also my very cordial congratulations to the hon. member for Toronto East Centre (Mr. Matthews) upon his elevation to the ministry, and in doing so I would extend, as has been done by their applause already, the very cordial greetings of all hon. members on this side. On behalf of our party I extend to him our best wishes for his success in the administration of his department and in the discharge of his ministerial duties.

Now, Mr. Speaker, having congratulated my right hon. friend and the government on the latest acquisition to the ranks of the cabinet, may I congratulate the house on the latest acquisition to its membership, in the three new members who have just been seated. As hon. members know, we had in October last elections on the same day in three different constituencies in parts of Canada which are widely separated. It was generally recognized before the elections took place that the results would be of exceptional significance, and in each of the constituencies the policies of the government were very fully discussed. The promises made by the Prime Minister at the time he assumed office and the extent to which those promises were performed, as well as the present position of the country and other matters were very fully reviewed, and I think the results may be taken as being of exceptional significance.

That is so for two reasons. One is that the constituencies were as I have already said, widely separated; they were in different parts of Canada, broadly representative of the varied interests of our country. One constituency, that of Restigouche-Madawaska, was in the maritime provinces; another, Yamaska, was in the central portion of Canada, in the province of Quebec, and the third, Mackenzie, was in the middle west. If either one or two of these constituencies had supported the Liberal party and the third had supported hon. gentlemen opposite we would probably have heard hon. members opposite saying that, after all, the results, considering the times, were not too bad. But when we see all three constituencies situated in different parts of Canada registering their verdict against the administration and in support of the Liberal party I doubt if better evidence could be found of the views held throughout the country, and of the opinion of the Canadian people concerning the administration. Those results are equally significant as showing approval of the Liberal party.

When one considers the majorities registered in the by-elections one finds the results even more significant. In the constituency of Yamaska the Liberal candidate—and I am figuring the way hon. gentlemen opposite have figured, namely by percentages—increased his majority by eighty-four per cent. Down in the maritime provinces, in the constituency of Restigouche-Madawaska, in the province of New Brunswick, which was considered to be more or less of a Conservative stronghold, the majority of 548 which was given hon. mem-

bers opposite in the election of 1930 was changed to a Liberal majority of 6,460. In the constituency of Mackenzie, where the former Conservative-C.C.F. candidate, Mr. Campbell, received a majority of 3,076, the results disclosed a Liberal majority of 1,614.

A still more interesting circumstance is that in two of these constituencies, the one in the maritimes and the other in the west, there were third party candidates as well as candidates representing the Conservative party. In both cases the third party and government candidates were defeated. Another significant feature is that in each of these constituencies the Conservative candidate lost his deposit. If anything could be more significant of the view taken by the electors concerning the policies of hon. members opposite I wish the Prime Minister would tell us when he rises to speak.

I should like to extend congratulations to the three new members who have come to the house. Each one has already had considerable experience in public life. The hon. member for Yamaska (Mr. Boucher) had sat in this house more than ten years, up to the time of the last general election. The hon. member for Restigouche-Madawaska (Mr. Michaud) had been in the legislature of the province of New Brunswick for seventeen years, and had occupied a position in the government of that province as minister without portfolio. The hon. member for Mackenzie (Mr. MacMillan), was formerly a member of the legislature of the province of Saskatchewan. Not only is the house and country to be congratulated on the result of the by-elections, but as well upon what in the way of additional parliamentary experience and power in debate has been secured to this house.

These three by-elections, however, are not the only evidence of the extent to which hon. gentlemen opposite and the government in particular, have been losing the confidence of the public. It will be recalled that in the by-election held in the autumn of 1932, the one immediately preceding the three to which I have referred, the result was a verdict for the Liberal candidate, which also disclosed a very considerable increase over the majority which had been obtained by the present member's predecessor. The constituency of South Huron which in a previous election had given the late Mr. McMillan a majority of 349 gave in 1932 a majority of 1,989 to the Liberal candidate. Those are records of recent by-elections. They show what Canada thinks of the policies of economic nationalism and economic imperialism which have been the main objectives of the present administration since it came into office.

However, if still further evidence is required to show not only the manner in which the public has lost confidence in this administration but the manner in which the government has lost confidence in itself, it will be found in the fact that at the present time, and since May last, there has been a vacancy in the representation in the constituency of South Oxford. I ask the administration this question: When the writs were issued for the constituencies of Yamaska, Restigouche-Madawaska and Mackenzie, why was not a writ issued for the constituency of South Oxford? Certainly South Oxford should be represented in this house at this time. Why are its electors to all intents and purposes, disfranchised; without representation, so far as this session of parliament is concerned or at least that part of it upon which we have now begun our deliberations? Why is it that not until after the Easter recess will we have any representation in this house from South Oxford?

I noticed that in paying an eloquent and deserved tribute to the late member for South Oxford, the Prime Minister stated that in that part of Canada was to be found the finest type of Canadian citizenship. He repeated the statement that the finest type of Canadian citizenship was to be found in the constituency of South Oxford. Having that fact in mind, I now ask the Prime Minister why that finest type of citizenship is not now represented in parliament. The Prime Minister has power to say that representation should be given, but up to this time the constituency of South Oxford has been denied that representation. So the evidence from every side goes to prove that not only has the government lost the confidence of the country but it has lost confidence in itself. May I state further that no matter what majority it may have as a result of the number of hon. members returned at the time the government came into office, that majority no longer represents the opinion of the Canadian people. By-elections have expressed in no uncertain voice the opinion of our people. This government has lost the moral authority to govern.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I repeat the statement. I say that having lost by-election after by-election in all parts of Canada during the last two or three years, and the people having spoken so positively and so emphatically, it has been made perfectly plain that the government has lost the moral authority to govern, and if it followed its

duty it would resign, go to the people and allow them to speak. The Canadian people as a whole should be given an opportunity at a general election to express their view upon policies which up to the present they have been able to do only in part in by-elections.

Let me now turn to the speech His Excellency the Governor General delivered from the throne to this house at the opening of the session. As is known, the speech almost in its entirety is prepared by the government, and His Excellency in delivering it is expressing the government's views. However there is one paragraph which refers directly to His Excellency and for which no doubt His Excellency is immediately responsible. It seems to me it appears very properly in the address. I refer to the paragraph in which it is stated that during the course of his stay in Canada His Excellency as the representative of His Majesty has visited all the provinces. I am sure the references His Excellency has made to the friendliness and great courage which he observed, and to the capacity of the people to overcome difficulties with which they are confronted will be very much appreciated by the people in the different parts of Canada visited, just as I am sure His Excellency's visits themselves to different parts of Canada have been very much appreciated.

There are some paragraphs, Mr. Speaker, that in language more or less the same appear in every speech from the throne. We are accustomed to find a paragraph, for instance, which tells us that the public accounts will be submitted, and another paragraph which tells us that the estimates will be submitted, and that it will be seen that due economy has been exercised in their preparation. There is one other paragraph which has crept into every speech from the throne since the present administration has come into office, and which has now become as commonplace as the two to which I have referred, and that is the paragraph which tells us that conditions are improving and that prosperity is just around the corner. If that paragraph did not appear so often, if it had not been in every speech from the throne since this administration came into office, possibly the paragraph which appears in the speech from the throne this year might carry more in the way of conviction with those to whom it is addressed. When, however, one reads what is said in this speech and compares it with what was said in previous speeches, the parallel is so striking that one will have difficulty in believing that the ministry actually appreciated in the past or appreciate at present the true position of the country when they advised His Excellency to use the following language:

> You are summoned for the dispatch of public business at a time when there are sound reasons for believing that the world is gradually returning to economic stability. I congratulate you that such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

I wish, Mr. Speaker, that we could obtain from the ministry the sound reasons it has for believing that the world is gradually returning to economic stability. I would be the last to seek to question a statement of that kind, and I wish with all my heart that it could be supported, but when one looks at conditions as they are to-day, in the orient, as was described this very day in the press, with respect to the relations of Russia to Japan, when one looks at Germany and at conditions as they are in some of the other countries in Europe at the present time, when one looks at the unrest that there is in other parts of the world, and above all when one sees what is resulting from the economic nationalism of different countries, I fail to discover where there is evidence for believing that there is anything in the nature of a gradual return to economic stability. However, that is a matter of conjecture, and I do no more than simply say that it strikes me as an unnecessary statement in the speech having regard to conditions as we all know them to be throughout the world.

But the next paragraph is one of special significance so far as Canada is concerned. In previous speeches His Excellency has evidently been permitted simply to state the fact that conditions are improving, but in the present speech he has evidently been told to go somewhat further and actually to congratulate us upon the improvement.

For comparison with other years, let me give the house the statement as it appeared at the opening of the second session of parliament. These were the words used in March, 1931:

> A marked improvement in the domestic situation. . . . The firm belief of my government that this country is soon to enter upon a new era of prosperity.

At the opening of the third session of this parliament in February, 1932, there was the assertion that

> "conditions are gradually improving."

At the prorogation in May, 1932, there was this assertion:

My government's policy . . . has already achieved an amelioration of conditions and forecasts steady and continued improvement.

Then referring to the Imperial Economic Conference it is stated:

Canada believes that the closer economic association of the British Empire will herald the dawn of a new and greater era of prosperity both for ourselves and for all the nations of the earth.

Hon. members will recall that the session in 1932 was adjourned over Christmas and that parliament reassembled on January 30, 1933, but even away back in October, 1932, we were told in the speech from the throne:

There are at last definite signs that the acuteness of the depression is passing.

Then addressing hon. members of both houses His Excellency was asked to say:

I rejoice that the wisdom of your steadfast policy . . . is still more fully manifest with approaching prosperity.

"Approaching prosperity" in October, 1932! There was a reference again to the improved conditions, and then something in the nature of a peroration as follows:

. . . we will build a Canada greater than we have yet known.

Leaving aside the evident effect upon some hon. members opposite of the rhetorical language which I have just quoted, and coming down to what is set forth in the present speech from the throne as indices of improving conditions, we find this statement:

I congratulate you that such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. . . . The evidence of a return to permanent prosperity is most convincing—in certain countries.

When the speech refers to "permanent prosperity" and when it invites us to look at certain specific data for evidence of that prosperity, then it seems to me that we are obliged to consider absolute amounts over considerable periods, not merely as hon. gentlemen opposite have been doing, percentages of slight improvement which have arisen from the fact that while at the outset trade in some directions was practically obliterated by the passing of their legislation, it may have increased a little here and there as some of the barriers have been lowered, making a certain percentage of improvement inevitable.

Let me take first, the figures which have to do with the so-called "increasing employment." I want to say at once that it is an amazing fact that notwithstanding that these times are what they are, and that public money is being spent to the extent that it is for the relief of unemployment, it is impossible to get from any of the government departments reliable information, or indeed any information with regard to the extent of unemployment in Canada at the present time. For some reason best known to the ministry these facts are not being given to the public; they are not appearing in any government reports. The Department of Labour ought to have a record or a substantial record, but it apparently has nothing to give which will throw light on the extent of unemployment at the present time. I believe that is entirely wrong, and the only explanation I think there can be, is that the ministry does not wish the country to know how many unemployed there are.

I want to go a step further and say that a much more serious fact is the circumstance that in the government reports on employment the government is including with employment arising from private enterprise employment which grows out of unemployment relief. They are bulking the two together with the result that in their reports which are given to the public it appears that employment in Canada, as that phrase is understood, is greater than it has been in previous months, as if that were the evidence of some increased prosperity, whereas it is none other than evidence of increased unemployment relief which means increased taxation of the people of the country. Apart from this, however, the government's own figures do not give the evidence which will substantiate the statement made in the speech from the throne. "Increasing employment" is the phrase that is used in His Excellency's address. The Department of Trade and Commerce publishes an annual review of employment in Canada. The figures are given, first, upon the basis of index numbers, and, second, upon the basis of the number of persons actually employed. Whether there has been an increase in employment will be best seen when we make a comparison between employment as it was when the present administration took over office, and as it has been since they came into office. In giving the figures from the government's own records, I shall leave out the year 1930 because that was a year in which the members of one party held office part of the time, and hon. members opposite held office the other part of the time. The index figure for 1926 is

fixed at 100, and the index figures for other years are as follows:

1927	104.6
1928	111.6
1929	119.0
1931	102.5
1932	87.5
1933	83.4

The index figure for the calendar year of 1933 was lower than it has been at any time since 1920. Yet this is described as being evidence of increasing employment.

Let me come now to the numbers of persons employed. The Bureau of Statistics issued a bulletin on employment dated September 1, 1930, and another dated December 1, 1933. In making my next comparison I have taken September, 1930, as it was the earliest date upon which information was compiled since the present government came into office. At that date the government received returns from 7,334 firms, and those returns indicated a combined working force of 1,023,033. What are the latest figures for December 1, 1933, the last month under the present administration for which figures are available? We find that the number of firms from which the government has been collecting information has increased to 8,428. In collecting their statistics they are now gathering information from more firms than they did in 1930. In 1930 they were collecting information from 7,334 firms, while now they receive returns from 8,428. But what is the combined working force as reported by this larger number of firms? It is 850,486 as against 1,023,033 in 1930. In other words, there are 172,547 less persons employed by a larger number of reporting firms. Yet His Excellency is told to tell this house and the country that there are evidences of increasing employment in Canada. These are the government's own figures.

Hon. gentlemen know that during periods of distress it is the larger firms that are able to carry on the longest. The smaller concerns go to the wall first. Unquestionably there are a number of the smaller firms which have not reported and, if information could be received from them, the showing would be much worse than appears here.

The government has been compiling statistics upon employment and this information has been given out to the public. I have in my hand a bulletin issued by the Department of Trade and Commerce, Dominion Bureau of Statistics, general statistics branch, giving the employment situation in December, 1933. Before quoting from this record, may I assert that to go by the figures as set forth here as they have been quoted in the press makes the whole question of the present position of employment entirely illusory. It makes the prosperity of the country, not a prosperity as borne out by facts, but a prosperity that is borne out by a manipulation of statistics. Statistics which makes possible such action are not worthy of any department of government, and I think every department should be very careful to avoid possibilities of the kind.

Mr. STEVENS: Will the right hon. gentleman indicate from what he is reading?

Mr. MACKENZIE KING: I have indicated it already, and I am sorry my hon. friend was not listening. This is a publication of the Department of Trade and Commerce, issued by the Dominion Bureau of Statistics, general statistics branch, giving the employment situation for December, 1933.

Mr. STEVENS: Which statistics are the official product of the bureau of statistics and not revised by the government or any officer of the government other than by the bureau itself.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Absolutely. The right hon. gentleman is arguing otherwise.

Mr. MACKENZIE KING: The hon. minister is responsible for the bureau and he must accept that responsibility. I am now directing his attention to circumstances into which I think he ought to look very carefully and see that the right thing is done and that there is no further possibility of the manipulation of figures as is the case in the form in which they are given here.

Mr. STEVENS: The right hon. gentleman has indicated that the department over which I preside has manipulated figures. I am merely stating to him that these are the figures of the bureau.

Mr. MACKENZIE KING: I am going to show my hon. friend the ends which these figures have been made to serve and the manner in which the bureau has functioned. I have said already that in this statement the bureau does not distinguish, in a manner which serves to make the matter clear, between employment arising out of moneys paid out of the public treasury for relief, and employment as provided by private firms. I say that, unless that distinction is made absolutely clear, the whole statistical table is illusory. There is an indication that there has been an increase as of December 1 over November 1. I read from page 1 of the bulletin as follows:

Reflecting this gain, the index (1926 average =100), arose from 91.3 on the former date to 91.8 on December 1. This is the highest figure in two years.

A paragraph or two below this contains the following:

The improvement on the date under review occurred largely in logging and retail trade and on highway construction, where the personnel of unemployment relief camps increased with the advent of cold weather. The gains in logging and trade are seasonal.

This statement goes out to the press as disclosing an increase in employment in the month of December over the month of November, and the contention is that employment was higher in the month of December than it had been at any time during the past two years. Those are the headlines that appeared in the press, but, embedded in this first paragraph, are words which disclose that these figures are arrived at by taking into account the persons employed on highway construction, the pick and shovel work which is given to a large number of men who are paid from the public treasury. This money is obtained through taxation.

Let me go a step further. On page 4 is given the detailed operations, and there appears the following:

Seasonal declines on a large scale were registered in railway construction, and building was also seasonally slacker, but there were considerable gains in the highway division, largely representing unemployment relief works; the result was practically no change in the group as a whole.

Then we find this remarkable statement:

The number of persons employed in projects for the relief of unemployment this year is greater than in 1932.

But these all important statements are all lost sight of in the general headings and figures of employment as a whole. In other words, this report which is being quoted throughout the country as evidence that there is more in the way of employment, when analyzed will be found to have embedded in it the statement that the number of persons employed upon projects for the relief of unemployment has been greater in 1933 than it was in 1932. Why is that number greater? Because there is more employment? No, it is greater because there is less employment and because more persons have been thrown out of private industry and have had to be taken over by the state.

Let me go a step further and quote the index numbers as given in the record. Construction figures afford a very good index of industrial prosperity, and the figure for December 1 is 94·6. But on page 8, the following page, one gets figures of comparison as between December 1, 1932, and December 1, 1933, on construction and maintenance, and what does one discover? Construction and maintenance are made up of three groups—building, highways and railways. When you analyze building and railways—which should indicate any appreciable increase in the use of commodities that mean business to the railways and the distributing houses, as well as employment for labour in factories and elsewhere—these figures actually show that the situation was worse in 1933 than in the previous year, and that in reality two-thirds of the gain came from an increase in work on highways, for which practically all the money came out of the public treasury.

I say that the lumping together of relief projects with the other figures, the whole being reduced to one index figure, is productive of a distinct illusion as to the actual employment situation in Canada. Next spring, judging by what we are told in the speech, the government contemplates starting a great construction program. For what purpose? For the purpose of giving work to the unemployed, thus helping along the work of relief. If this method of compiling statistics is to be continued, if we are to be told that all those who will be engaged in work provided by money coming out of the public treasury, will be indicative of employment in Canada, of a character which is to suggest permanent prosperity, then I submit that the whole country will be completely deceived. And, if in addition to that we are to have an inflated currency, as one would gather from some of the speeches which the Prime Minister has recently made, why, this country, under these two methods of furnishing employment will assume the appearance of a boom, whereas, as a matter of fact, the whole business will simply represent a condition in which unemployment has been so great—unemployment arising from the fact that men cannot find work in private industry—that the government of the day has found it necessary, to a greater extent than ever, to come to the relief of those who are out of work.

I say that where statistics are put forth in that form it is impossible for this House of Commons to deal intelligently with the situation with which the country is faced. But there is something worse than that. This same report sets forth what purports to be comparative figures of employment in the United States. Now, one would assume that in comparative figures exactly the same method would be followed in compiling the information in one country as in the other. But, when you study the unemployment figures in the United States, you find that this bulletin has not

taken account of those who in the United States have been employed under such schemes as the reforestation program which the administration has put into force, nor in unemployment relief work, but has been confined to employment in factories and industry. Those are the figures that we should have in regard to this country; only such figures can have any meaning at all in a comparison between the two countries.

I take exception to this sort of statistical prosperity behind which the government is seeking to shelter itself, but which is wholly illusory and will only make for more in the way of trouble and distress as the years go by. To show the effect of statistics put out in this form, I might quote from two statements which I have in my hand. I take them because they were the first that happened to come to my attention. I have a copy of what appeared in the Montreal Star, and also a copy of a statement that appeared in the Ottawa Citizen,—reports with reference to a recent bulletin. The Montreal Star of January 17, 1934, has the following heading:

Employment gain proof of upswing; 146,900 returned to work between April-November last year.

It goes on to cite figures as evidence of an upward trend. But what is the truth? It is the direct opposite of what appears in these headlines. The employment gain here indicated is not, as a matter of fact, proof of any upswing; rather, it is proof of the very opposite, when you study the figures carefully. It is proof of there being more unemployed in private industry and a larger number receiving unemployment relief through government funds—the very opposite of the impression conveyed by the press to the public. We are told that 146,900 men have returned to work. Anyone reading that statement would conclude that these men had gone back to some gainful employment in private firms which were extending employment. The fact is that these men have not returned to such work at all; they have simply been given unemployment relief until they can get genuine work. And the government now uses the material as indicating an increase in permanent prosperity.

The Ottawa Citizen carried this headline:

Added 146,900 names to wage earners in 1933. Distinct upward trend from April 1 shown in figures given in Dominion Bureau's review.

But these are not wage earners in the sense in which that term is understood either by workmen in the country or by employers; they are in large part relief workers, so that to that extent the figures are wholly illusory, as I have said. Rather than a distinct upward trend in employment in the true sense of the word, there is, as I have indicated, a trend the very opposite.

Now these are government official records of employment, but when one seeks to obtain from the Department of Labour or from any other department figures with reference to the number of unemployed, one is unable to get them. These particular figures are available and are sent out in this form, but the figures which are really required to give the true situation have either not been collected or, if they have been collected, they have not been given to the public or to this House of Commons.

When the present government came into office, according to a statement of the Prime Minister in September, 1930, there were 117,000 unemployed in Canada. That was the highest figure at which the Prime Minister felt he could dare to put the number of unemployed. I imagine it was considerably below that at that particular time, but 117,000 was the figure we were given to show the terrible situation he had taken over as a legacy from the previous administration. What was the official estimate of the census bureau as of June 1, 1931? No longer 117,000 but 392,809. Since that time other estimates have been given. An estimate at the present time which I think is well within the mark would place the unemployed at 500,000. The Minister of Labour last session gave figures as to the total number of persons receiving relief, and the number of families on relief. These figures indicated that in January, 1933, the total number of men, women and children receiving relief was 1,357,562—heads of families receiving relief, 252,000. The Prime Minister has recently been speaking in Winnipeg. He said there that at the end of April, 1933, the numbers receiving relief amounted to 1,522,000, but at the end of September, 1933, the number would be 1,000,000 or less. He gave additional figures out on the Pacific coast; they were to the effect that the present government had spent, since taking office, as much as $131,462,000 on relief during the depression.

Mr. BENNETT: Including new loans to provinces.

Mr. MACKENZIE KING: New loans to provinces, yes. I venture to make the statement that these figures and others that I might give from indices of employment and the like, may be used as a basis for calculation and they will show that at the present

time there are at least 500,000 unemployed. In a nutshell, the situation is just about this—and I use these figures in relation to what we are told as reasons for congratulation on "increasing employment"—there are at the present time 500,000 or half a million unemployed; there are 1,000,000 or more on relief, and, prior to the time the Prime Minister spoke in the west, the government had spent $131,462,000, all of which represents additional taxation, on relief of unemployment in this country. In the light of these figures, how can anyone accept a statement such as appears in the speech from the throne, that there is reason for congratulation on "increasing employment" and particularly on our country being among the number where there is evidence of a return to permanent prosperity? Were the public to accept that statement, it would have very little conception of what those figures really meant.

Let us consider the amount that has been spent on unemployment relief in the time that the present government has been in office. It is equivalent to the total amount it took to meet the expenses of the government of Canada for an entire year in the last year of the Liberal administration of Sir Wilfrid Laurier. It is greater than the gross debt of the Dominion government for the fiscal year 1872-73. It would be strange if, with all that amount of public money being spent for relief purposes and the like, there were not evidences of some increase in employment, but to call employment brought about in that way evidence of prosperity, or "increasing employment" in the sense in which that word is understood by the public generally, is entirely wrong and false, and it should not be countenanced.

I believe, if we were to get figures from different municipalities, we would find that far from conditions having improved at all in the last year, the facts would be entirely to the contrary. Let me give the figures just for this city of Ottawa, which are the ones most easily verified. I obtained them from the office of the organization that deals with these matters. What are the figures? They are as follows:

Date—	Families on relief
November, 1932	3,525
November, 1933	4,714
December, 1932	4,316
December, 1933	4,949

This shows that even at the present time, in Ottawa, which is more favourably situated than other cities, instead of the numbers on relief lessening, they are materially increasing.

The comparative amounts spent by Ottawa on relief are as follows:

Date—	Amount
November, 1932	$ 82,000
November, 1933	156,000

These are figures from the social service department of the city of Ottawa, and I venture to say that figures showing similar or larger increases will be obtainable from almost any city in this country. So much for the statement in regard to "increasing employment."

The speech from the throne refers to "improving revenues." How have the revenues improved? Let me give the revenues as they were three years before the present administration took office, and the revenues as they have been since. I am discussing the statements in regard to the evidences of approaching permanent prosperity.

The figures are as follows:

Fiscal Year Ending March 31

	Total revenue
1928	$430,000,000
1929	460,000,000
1930	446,000,000
1932	337,000,000
1933	311,000,000
Nine months ending Dec. 31, 31, 1933	245,000,000

This last figure should be set off against an amount of $351,000,000 for the nine months ending December 31, 1929. When revenues are cited to show improving conditions in relation to permanent prosperity, it is the total amounts rather than the small percentages to which it is desirable to look. But even here the revenues afford no grounds for what is said in the speech.

But yet another statement is made. We are told not only that there is "increasing employment" and "increasing revenue," but that there is "expanding trade." What are the figures in regard to expanding trade? Let me take the three years before the present administration came in and the three years since. These are calendar years:

Calendar Year

	Total trade
1927	$2,306,000,000
1928	2,572,000,000
1929	2,481,000,000
1931	1,233,000,000
1932	946,000,000
1933	933,000,000

Or a continuous drop, showing that the trade of the country in 1931 was less than half

of what it had been the year before the present government came into office, and in 1933 about one-third.

I heard the hon. member for Fraser Valley (Mr. Barber) say that he thought comparisons ought to be made between conditions as they were under the old and under the present administration. Let me give him one. In the last fiscal year in which Conservative policies were in effect before the Liberal administration came into office, that is to say, the fiscal year 1921-22, the total imports for home consumption and the total exports of merchandise amounted to $1,501,700,000, while in the last fiscal year in which Liberal policies were in effect, that is to say, 1929-30, the total was $2,393,000,000. For the last fiscal year in which Conservative policies have been in effect and for which we have record, that is to say, 1932-33, the total amount of imports and exports was $887,000,000. These comparisons taken from the Canada Year Book indicate pretty clearly how the policies of the different administrations have affected the trade of this country.

Mr. WOODSWORTH: Has the leader of the opposition figures relative to the physical volume of trade?

Mr. MACKENZIE KING: I am sorry I do not happen to have them with me. I have no doubt they are obtainable.

I come now to the next paragraph in the speech from the throne referring to trade. This is the one in regard to the Ottawa trade agreements I noticed that both the mover and seconder of the motion spent most of their time in endeavouring to have it appear that trade had materially increased as a result of the Ottawa trade agreements. This is the paragraph of the speech from the throne referring to these agreements and their alleged results:

> The Ottawa trade agreements have now been in operation for a full year and the results indicate substantial expansion of Canadian-Empire trade over the preceding year. It is worthy of note that the agreements are proving beneficial to all empire countries. The trading position of the empire in the world has steadily improved. Canada has again resumed her place as the fifth exporting nation. Our favourable trade balances have enabled us to discharge our international obligations and have greatly lessened the difficulties of the international exchange situation.

In that statement there are two sentences with which I wish to take direct issue:

> It is worthy of note that the agreements are proving beneficial to all empire countries.

I do not think that is true. I think the opposite is true.

> The trading position of the empire in the world has steadily improved.

I think the trading position of the empire in the world, instead of improving, has, in consequence of these agreements been tending in the opposite direction. The mere assertion of these things in the speech from the throne does not help to convince anyone of the truth of what is there put forth. Let me take, however, the concrete part that relates to our own country:

> The Ottawa trade agreements have now been in operation for a full year and the results indicate substantial expansion of Canadian-Empire trade over the preceding year.

I am sorry, Mr. Speaker, but I seem to have mislaid my notes. I cannot quote the figures I thought I had at hand.

Mr. MANION: It doesn't matter.

Mr. MACKENZIE KING: For the moment I have mislaid the figures I wished to give with regard to the expansion of trade, but I have here the figures which relate to the statement that Canada has again resumed her place as the fifth exporting nation. May I point out that what is really of importance is not merely a relative place, as far as the business of the country is concerned, but the absolute amount that is represented in its trade. At the time Canada held fifth place under a previous administration, her domestic exports totalled $1,182,400,000. Coming to the fifth place which she has regained and which is referred to in the speech from the throne, instead of her total domestic exports amounting to $1,182,400,000, they amount to only $493,800,000.

That is a bad enough showing so far as exports alone are concerned, but let me indicate something far more significant; which is the total trade. The speech from the throne says nothing about Canada's position with respect to her total trade; it does not say that she has regained her position with regard to total trade. It is total trade that means prosperity, that means employment, that means business for the railways and factories, for distribution houses, wholesalers and retailers, and those who serve them. Instead of being in fifth place with regard to total trade Canada since the present government assumed office has dropped to seventh place. Here are the figures. For the calendar year 1929, the last full year during which the late Liberal administration was in office, Canada's total trade amounted to $2,455,500,000. Today, instead of that, our total trade amounts to $938,400,000. Those are the figures that are really significant. They show that Canada has dropped in rank from fifth to seventh place in

total trade, and that instead of $2,455,500,000 our total trade amounts to only $938,400,000.

The government draws attention to the increase in empire trade. I have found the figures for which I was looking a moment ago. Let us take the figures of empire trade for the fiscal year 1929-30 and compare them with those of the fiscal year 1932-33. There is a decrease shown amounting to $157,500,000. For the fiscal year 1932-33 Canadian exports to empire countries exceeded those for the fiscal year 1931-32 by $3,000,000, but the exports to foreign countries—and that is what has to be taken into account when you are looking into trade matters, not only the exports to other parts of the empire but the exports to foreign countries as well—declined during the same period by $105,700,000. So we have over a given year an increase in our exports to empire countries of $3,000,000 and a decrease in our exports to foreign countries of $105,700,000. Since the present administration came into office the reduction in exports to foreign countries is practically equivalent to the total volume of our exports during the fiscal year 1932-33.

I come now to the figures in regard to the direction of Canada's export trade as between empire and foreign countries. The government is fond of indicating an improvement in the direction of trade, as though to say, if we increase our trade a little towards empire countries, it does not matter how much our trade falls off with the world in general. Here are the figures. For the fiscal year ending 1932, Canadian exports to empire countries comprised 38 per cent of our total exports, while Canadian exports to foreign countries made up 62 per cent of the total. In 1933 Canadian exports to empire countries totalled 46·9 per cent, while exports to foreign countries amounted to only 53·1 per cent. But it is the total trade, not the direction of trade, that matters. Suppose you destroy our entire foreign trade; then you can make your showing, so far as empire trade is concerned, even more spectacular, and that is exactly what hon. gentlemen opposite have been doing. In order to attempt to make some showing under the United Kingdom-Canada agreement they have been prepared to sacrifice foreign trade. Let us take the figures and analyze them. I venture to say that the very opposite to what is claimed in the speech from the throne is the case. In the nine months ending December 31, 1932, Canadian exports to empire countries totalled $176,800,000. In the nine months ending December 31, 1933, they totalled $209,700,000, an increase of almost $33,000,000. Those are the figures on which the government bases its statement that trade is improving between Canada and empire countries. But, if you consider the value of the Canadian dollar in terms of gold in the one year and contrast it with the value of the Canadian dollar in terms of gold in the following year, you will find that, instead of an expansion of trade, there has been a contraction of trade.

The only way in which a fair estimate can be made at all, is to have the same measuring stick for both periods. In November, 1932, the Canadian dollar in terms of gold approximated 87 cents. In November, 1933, the Canadian dollar in terms of gold approximated 63 cents. This is not a weighted average, but it does give some indication of value. If these values of the dollar were taken as approximately correct, in terms of uniform measurement the figures would be as follows: For the nine months ending December 31, 1932, Canadian exports to empire countries totalled $153,800,000; for the nine months ending December 31, 1933, Canadian exports to empire countries totalled $132,100,000, or a decrease of almost $22,000,000. So the so-called substantial expansion of Canadian-Empire trade over the preceding year proves, upon analysis, to be a substantial contraction.

Those are the figures, Mr. Speaker, that I think ought to be read in connection with the statements that appear with regard to empire trade.

There is one other statement, however, to which hon. gentlemen opposite have been referring; that is with reference to the favourable balance of trade. A favourable balance of trade may mean one thing or another, according to conditions. At one time the Prime Minister himself said that he did not think it was a fair index, but I notice that with the small favourable balance in the greatly contracted trade that has occurred in the last year or two, hon. gentlemen opposite are quoting the favourable balance as evidence of the prosperity we are said to be gradually approaching if indeed it has not already been reached. When considering trade figures and ascertaining favourable balances, to get a correct impression of how they bear on a country's condition we must take into account the amount of the total trade as well as the amount of the favourable balance. In eight of the eight and a half years during which the Liberal administration held office, there were favourable balances, but those balances were not small, and what is more important they were not shown on the small amount of trade of the

present day. Here are some figures in this connection:

Fiscal year	Favourable balance	Total trade
1922..	6,000,000	1,502,000,000
1923..	143,000,000	1,748,000,000
1924..	165,000,000	1,952,000,000
1925..	284,000,000	1,878,000,000
1926..	401,000,000	2,256,000,000
1927..	237,000,000	2,298,000,000
1928..	142,000,000	2,360,000,000
1929..	123,000,000	2,655,000,000
1932..	9,000,000	1,166,000,000
1933..	74,000,000	887,000,000

Coming to the favourable balances in the period in which hon. gentlemen opposite have held office, for the fiscal year ended March 31, 1932, there was a favourable balance, not of $123,000,000 but of $9,000,000, out of a total trade, not of $2,655,000,000, but of $1,166,000,000. Then, for the fiscal year ended March 31, 1933, there was a favourable balance of $74,000,000 and a total trade which had shrunk to $887,000,000. The less hon. gentlemen opposite quote figures of favourable balances, in an endeavour to indicate improved conditions, the better it will be for their position. In all these matters we must consider absolute and not relative amounts, if we are to indicate the true position.

I come now to the part of the speech from the throne which refers to trade agreements. I ask you, Mr. Speaker, and I ask the house, what criticism would have been made by hon. members opposite had a Liberal administration been in office and offered such a statement in regard to trade agreements, particularly had it previously boasted it would blast a way into the markets of the world and would see that there were favourable trade agreements with all countries. In the speech this is the paragraph we find:

> The temporary trade arrangements made with Germany and Austria have been further extended. Canadian products are now receiving most favoured tariff treatment in those countries in exchange for the grant of our intermediate tariff on their products.

In the speech from the throne there is not another reference to trade agreements. There is no statement with regard to any permanent agreement, merely this paragraph concerning an extension of a temporary trade arrangement with Germany and Austria. That is all the present administration has to offer this country as a result of the last year in the negotiation of trade agreements. Why is there nothing in the speech from the throne with respect to a trade agreement with the United States? Why is there no mention of a reciprocal agreement between Canada and the United States? Last session we heard much from the Prime Minister and hon. members opposite about the United States being a natural market for Canadian products. The Prime Minister paid a visit to Washington and while there held a lengthy and pleasant interview with the president of the United States. The press of Canada was inspired with the belief that at last we were on the verge of a reciprocal trade agreement with the United States in respect to at least some articles of commerce. But nothing has been done. So far as any agreement with the great country to the south of us is concerned, that country which one of the speakers to-day described as affording our natural market, no further headway has been made. What has been happening so far as the United States itself is concerned? What has been happening in Great Britain and in other countries? We read in the press that Great Britain has made an agreement with the Argentine and with other countries. Why has not Canada made similar agreements? The president of the United States has said over and over again that he is prepared to enter into trade agreements with other countries, if they are prepared to consider the matter with him. Within the last year in Canada several prominent persons from the United States have mentioned that the administration in Washington is ready to make agreements with this country. Yet hon. gentlemen opposite have done nothing; they have not moved in the matter. The result is that this great market, which would mean so much to western agriculture and that of other parts of Canada as well, and which would greatly improve many branches of Canadian industry, is left exactly where it has been since this government came into office. We had reason to expect something more from the ministry than appears to have been done during the past year.

What else has the government to offer agriculture in addition to the extension of the temporary arrangements with Germany and Austria? Certainly it has offered nothing further in the way of trade agreements. The speech from the throne, however, contains the following:

> The prices of agricultural products, which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months.

That must be gratifying news to the agriculturists. While it may serve to disclose the result of the government policies, it certainly does not indicate any action on the part of the government which has helped to improve the situation. Then, further:

> My government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture. You

will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

We have reached the fifth session of this parliament and the fourth year in which the present administration have held office, and up to the present apparently all the government has been able to do for agriculture is contained in the following:

You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

Why, if it is to be of any value at all, was not legislation of that kind introduced two or three years ago? Why have we had to wait until what may possibly be the last session of this parliament before being told we shall be invited to consider such legislation? I say the government has not done for agriculture a thing worthy of mention. Of course I shall wait until the legislation here mentioned is introduced before commenting upon its value.

During last summer, in the course of a visit to western Canada, I spent considerable time gathering first hand information with respect to agricultural conditions in the rural sections and smaller urban centres, not in the cities. I saw at first hand the conditions prevailing with respect to agriculture throughout the west, and, as a result of that visit, came to appreciate more than would have been possible in any other way the very serious plight in which the people of that part of our dominion find themselves. I doubt if it is possible to exaggerate the extremely difficult conditions under which people in certain of the agricultural areas in western Canada are labouring. One point which was definitely impressed upon my mind in the course of my journey was that, instead of lifting the burden of agriculture, this government has placed an additional burden on the backs of the agriculturists. By the increase of tariffs it has added to their burden to a shocking degree. The cost of living to this great portion of our population, which is bearing the burden of hard times to a degree greater than that borne by any other class, has been greatly increased. The cost of their clothing, boots and shoes, housing material, farm implements and the like, in fact the cost of everything which enters into production, has been increased.

An hon. MEMBER: And sugar.

Mr. MACKENZIE KING: Yes, sugar, and many another necessity of life, costs very much more, and this at a time when the farmers through low prices and crop failures are having the most bitter struggle in all their experience. A sound policy for agriculture in Canada should be directed to cheapening the processes of production to the greatest possible degree to enable the Canadian farmers to compete successfully in the markets in which they must sell their products. On the other hand, nothing has been accomplished by way of securing better and wider markets. As a matter of fact, it has been made more difficult to get into the markets of the world because of retaliatory measures taken by other nations against the high tariffs of this country. The policies of the present administration have been a real factor in destroying our markets. I say, Mr. Speaker, that the seriousness of the plight of western agriculture cannot be exaggerated, and the government, if it wishes to help agriculture at all, will very speedily have to change the tariffs that are in force in this country at the present time.

In one of the reports which the Prime Minister laid on the table, there is reference to a discussion with delegates from other parts of the empire, and the statement is made that trade has improved within the empire through the lowering of the tariff which was agreed upon at the Ottawa conference. Well, if it be true that for what little improvement there may be in empire trade, according to the statement of those who claim that there is improved trade, we are indebted to a lowering of the tariff, why could we not improve the trade of Canada as a whole by lowering the tariff all round? Why can we not thus relieve the burden upon agriculture, a burden being borne by those who have been suffering most of all from present conditions?

Another thing, Mr. Speaker, that I observed throughout the west was this: no matter whether or not a man was solvent, if he happened to be a farmer it was almost impossible for him to obtain money anywhere at a reasonable rate of interest; in fact in some cases it was impossible to obtain money at all. Certainly a demand that one felt was paramount throughout western Canada was more reasonable rates of interest, and something in the nature of agricultural short term and intermediate credits. I should have thought that the government would have been fully apprised of that situation long ago, but all we have in the speech from the throne with reference to the relief that is to be given in that direction is that the government has been discussing with the governments of the different provinces this question of agricultural credits, and that something will be done

as a result of their conference. Let me read the statement in the speech from the throne:

> My government have been giving careful consideration to measures that might be adopted for the establishment of agricultural short term and intermediate credits; and have invited representatives of the provinces to study the means by which practical effect may be given to the recommendations in this respect made by the Royal Commission on Monetary and Banking Problems.

What is the recommendation that was made by the Macmillan commission? The recommendation of the commission was simply that the government should seek to take up with the provinces the question of rural credits. That does not help us very much. Let me read the exact recommendation of the commission:

> We unanimously recommend that an inquiry be instituted by the Dominion government, preferably with the cooperation of the provincial governments, to investigate the existing organizations for the provision of rural credit with a view to the preparation of a scheme for the consideration of parliament.

All of that, so far as it relates to anything in the nature of action, is a long way off. If the farmers of western Canada have to wait until this government has instituted an inquiry into the question of rural credits or until a conference with the provincial governments has matured some scheme that will be satisfactory, I doubt very much whether anything that happens in this particular parliament will effect a final enactment with respect to rural credits. Again I say that, instead of waiting until the fifth session of this parliament, to make a promise which is in the nature of a further postponement of any immediate action, the government ought to have taken at previous sessions some steps to provide short term and intermediate agricultural credits.

But that is not all. The speech has reference to one other measure by which the government proposes to help agriculture. It is spoken of as the wheat agreement. It refers to the wheat agreement in the following language:

> My government, acting with representatives of other wheat exporting countries, as well as representatives of wheat importing countries, have entered into an agreement for relieving the world market from the disastrous price-depressing influence of abnormal surplus wheat stocks. It is a matter of satisfaction that the parties to this agreement are cooperating with a degree of effectiveness which is already reflected in improved prices. The agreement will be laid before you.

What is this so-called wheat agreement, Mr. Speaker, and how is it going to help the agriculturists of this country? I think I am right when I say that first of all it is in effect, an agreement to reduce the acreage of wheat production. There is no mistake about that. In other words, the government, having destroyed trade, is now seeking to destroy production as a means of solving the problem with which the country is faced at the present time. They propose to relieve the unemployment problem by reducing the areas of employment—

Mr. POULIOT: And now they propose to sterilize wheat.

Mr. MACKENZIE KING: I ask, Mr. Speaker, was there ever an agreement which, in a situation such as faces western Canada at the present time, could mean less of service to the agriculturists, or if you like more in the way of irony. What is this agreement? Apparently representatives of four or five of the wheat exporting countries met with the Prime Minister of Canada at the office of the High Commissioner for Canada in London, and along with them were representatives of a considerable number of wheat importing countries. They discussed the wheat situation throughout the world and drew up an agreement to the effect that certain of the exporting countries would limit their exports of wheat. Canada, as one realizes when one begins to study the figures, has to make the largest sacrifice because we have the largest amount of exportable wheat. We have to cut down our exports very considerably. We have to do something further. For the next year or two we have to keep down our export of wheat, in the only possible way we can do it, unless the government itself is to purchase it—by reducing the total area of wheat production. What is Canada going to get in return? The wheat agreement says that the wheat importing countries have undertaken that they will encourage the consumption of wheat. They will not encourage increased production in their own countries, and once the wheat produced by these exporting countries has risen to a certain figure, which comes to about ninety-eight cents or one dollar in terms of Canadian money at the present time, and remains at that figure for several weeks the wheat importing countries will consider lowering their tariffs to admit more wheat from the wheat exporting countries. Is there any guarantee that wheat is ever going to rise to that figure? And if it does, is there any guarantee that these other countries will carry out what they have undertaken?

May I point out this in connection with the wheat agreement? Some who signed the

agreement have reserved the right to have the matter settled in the first instance by their respective parliaments. They draw attention to the fact that they cannot speak for their parliaments, that legislation may be required to implement the agreement, and that, therefore, they cannot undertake to carry out a promise they have given conditionally. But suppose they could make a promise; can anyone say how they are going to control intensiveness of cultivation even if the areas are kept the same? And suppose these wheat importing countries were to reduce their tariffs, the tariff being excessively high, 180 per cent in one case, they might bring down their tariffs by a very large percentage, say 50 per cent, without its having much effect so far as Canada's wheat exports are concerned. It is for that kind of bargain we are to undertake to limit wheat acreage in Canada, and up to the present time wheat has been regarded as the very gold of our country, as its most essential product. All our efforts in past years have been towards helping to settle the prairies with those who will grow grain, because Canada grows the best wheat in the world.

I want to ask the Prime Minister a question which is being asked throughout the three western provinces. I know that this question is being asked because I happened to be there at the time the wheat agreement was being discussed. By what authority does he bind this country in the matter of any agricultural policy without allowing the House of Commons to have a single word to say in regard to it? That is the question western farmers are asking themselves, and which Canadians generally are asking themselves. What is the good of having a House of Commons if a prime minister is to be free while abroad to call together the representatives of different countries and enter into an agreement on behalf of Canada which alters our whole agricultural policy and without the House of Commons of Canada having any say in the matter one way or the other? We hear about emergency measures and the government having been given authority to deal with emergent conditions. How long is this emergency going to last? It started in 1930 and everything done in that year was along emergency lines. The government had to be given exceptional powers because there was an emergency. The same thing occurred again in 1931, again in 1932, and again in 1933. Now, in 1934, we are to have more emergency measures proposed by the government. They are proceeding as though they were an executive endowed with special authority because of an emergency equivalent to war. It is time we should realize that what there is of an emergency in Canada has arisen because of the government's own policies. We have this emergent condition because of the policies the government has been putting in force. Before new policies are decided upon, this House of Commons should have the right to discuss them to the fullest possible extent.

I want to go a step further. How is the agreement to be carried out? As I have pointed out, its terms are absurd enough in themselves. Some of the countries which have signed have not entered into any real obligation. There is one country which has refused to be bound in the matter of its exports. What country is that? It is the country from which we have been told we have the most to fear, namely, Russia. Russia is to be free to export to any other country, but Canada is not. Russia is to be free to develop her wheat lands while the people who have settled upon our western plains have to cut down their cultivation. I ask if this is the way in which Canada is to hold her place among the nations of the world? I ask is Canadian agriculture to be handicapped to the advantage of agriculture in Russia, of which we have heard so much from hon. gentlemen opposite?

Where did this idea come from? It is an imitation of legislation which has been enacted by the country to the south. The United States has had a policy of restricting production.

Mr. McINTOSH: Copying Washington.

Mr. MACKENZIE KING: Copying Washington—imitating them, however, in regard to the worst features, and carefully avoiding what to the agriculturists in the United States is the best feature. What is the position in the United States? In that country something like eighty per cent of the wheat grown is consumed within the country itself. It is possible to regulate conditions in the United States. Eighty per cent of our grain is exported. What has the United States done? It has placed a tax upon wheat milled in the United States and is giving the proceeds of that tax to the farmers as compensation for their losses through a reduction in their areas of production. Is anything of the kind proposed by the present administration? Are our farmers to be compensated? Is the administration going to levy a tax in some direction and give the proceeds to the farmers of western Canada or of other parts of the country whose production areas are being reduced? Are they going to compensate

the farmers out of such a tax, or are they going to compensate them at all? If they do not compensate them, then they are confiscating; it is either compensation or confiscation. Confiscation of the products of a man's labour is the last word that should be suggested to those who are struggling with conditions as they are in this country to-day. I should like to know from the Prime Minister when he rises to speak —I think the farmers of this country want to know—whether he is going to compensate the farmer and, if not, how he can justify the policy he is proposing.

May I ask this further question which I consider is pertinent? What has been the justification for the great agencies of transportation and communication which we have in this country, for the moneys which have been spent upon railways, canals and other facilities for transportation and distribution, if it has not been to make possible in very large measure the export of this one particular commodity above all others? At this very moment this country is committed by the government to a St. Lawrence waterways treaty. Why are we going to be put to the expense of developing a great waterway to permit ocean liners to come from the sea to the head of the lakes when the policy of the government is to cut down the area of production of the very commodity which above all we want to export? May I draw attention to this circumstance: At the present time the members of congress in the United States are debating the merits of this agreement. They are to have the opportunity of deciding the question in the light of all the conditions set forth in the agreement. They will be able to carry on their discussions quite freely and in the knowledge of how this agreement will serve their ends at the present time. If the agreement is not acceded to, no one will suffer politically so far as that aspect of things is concerned. The administration will still retain office, meanwhile members of congress are free to debate the question and to have its merits fully disclosed. Has this House of Commons been given any opportunity to discuss this agreement? Will it be given any chance to discuss its provisions except upon the basis that the fate of the ministry is bound up with the acceptance of an agreement which it has already signed? Since the present government came into office there has been no discussion of the waterways question in this House of Commons. The government signed the agreement without presenting even a resolution to parliament along lines which might have furnished the basis of a treaty. After the agreement has been signed—we will be bound by it in the event of the United States agreeing to it—the strongest argument of all for the deep waterways will have been taken away, by the new policy on agriculture which hon. gentlemen opposite are putting into force, a policy of restriction rather than encouragement of production.

I venture to say that, so far as western Canada is concerned, there will not be much approval of this wheat agreement. May I point out the manner in which my right hon. friend proposes to have the agreement carried out? If I were to state to the house what has actually taken place and to show the means by which it is proposed a great measure of this kind is to be carried out, I think I would be laughed out of the house. I wish, therefore, to put on record exactly what has appeared thus far in the press as to what the government purposes to do with respect to the carrying out of the wheat agreement. I quote from the Ottawa Citizen of January 20, as follows:

> Immediate steps towards fulfilment of Canada's obligation to reduce wheat acreage under the world wheat agreement were agreed upon at a conference between Premier R. B. Bennett and the premiers of the three prairie provinces last night.
>
> The meeting was held just after the close of the dominion-provincial conference and questions of wheat acreage were thoroughly discussed.
>
> In the next few weeks the wheat-growing provinces will supply the dominion government with estimates of the acreage likely to be sown to wheat next spring and also an estimate of the amount of damage likely to be caused by grasshoppers.
>
> During the winter the governments will carry on propaganda among wheat farmers to induce them to cut down their wheat production.
>
> On its part the dominion government, when it gets the estimates, will draw up legislation to meet the problem and submit it to the provinces for approval.
>
> Owing to low prices and lack of machinery on the part of hard-pressed farmers it is expected somewhat less wheat would be sown on the prairies this year in any case. By means of a propaganda compaign it is hoped to induce the farmers to make a further curtailment voluntarily.
>
> The propaganda will likely stress the advantage of a higher price and the possibility of attaining it through a slight reduction in production.
>
> Under the world wheat agreement concluded last summer at the time of the world economic conference in London, Canada agreed to reduce acreage by 15 per cent.

What is to be done? This government proposes to get from the provincial governments estimates with respect to the extent of the acreage likely to be sown and the extent to which grasshoppers are likely to operate in the course of the next year. Well, that may

be one means of furnishing employment to a large number of persons; I have no doubt that a good many investigators will be engaged. But, if it is necessary to obtain estimates with respect to grasshoppers, are not estimates equally necessary with respect to other factors which contribute to reduce the total crop that will be produced? Why are not estimates equally necessary with respect to cutworms, estimates with respect to caterpillars? Why are there not estimates with regard to all insect pests? Why not estimates with regard to the possibility of drought, which is one factor that affects total production? Why not estimates with regard to hail and frost? All these latter are determining factors and equally as important as grasshoppers.

I ask, Mr. Speaker, could anything more absurd be conceived? But my hon. friends opposite go a step further. They are going to send out an army of propagandists, and what will these propagandists do? They will preach the doctrine of the rise in price through the reduction of acreage—good Tory protectionist doctrine; increase price by limiting supply. They are to go abroad throughout the west preaching a new creed, I suppose, and the Minister of Trade and Commerce (Mr. Stevens) will no doubt furnish something in that connection. It will be all along the line of Tory propaganda to show the importance of restricting supply as a means of obtaining high prices; it will be to show what tariffs have done with respect to increasing the price of manufactured goods, in the hope that in some way this tariff protectionist propaganda may gain a foothold also among the farmers of the west.

It seems to me that a policy of that kind, in the light of what a bountiful Providence may provide, and what people have been accustomed to understand as the duty of a government, namely, to further the prosperity of the country, is little short of blasphemy itself—a policy of scarcity instead of a policy of abundance.

What are the words that appear in the Book of Common Prayer used in the Church of England in this country?

> O most merciful Father, Who of Thy gracious goodness has heard the devout prayers of Thy Church, and turned our dearth and scarcity into cheapness and plenty; we give Thee humble thanks for this Thy special bounty; beseeching Thee to continue Thy loving kindness unto us, that our land may yield us her fruits of increase, to Thy glory and our comfort.

That is the prayer that hitherto has been going up from homes all over the country, but it is to be changed, and the very opposite is what we are now apparently to ask of Providence. The very opposite is what the government in office would seek to bring about. I suppose that the Minister of Trade and Commerce, in getting out the new creed, will have the prayer worded somewhat as follows:

> O most merciful Father, Who of Thy gracious goodness has heard the devout prayers of Thy government, and turned our cheapness and plenty into dearth and scarcity; we give Thee humble thanks for this Thy special affliction; beseeching Thee to continue Thy loving scarcity unto us, that our land may yield us ever less of her fruits of increase, to Thy glory and our discomfort.

That is the policy of the government.

Mr. BENNETT: That is as near blasphemy as this house has ever heard.

Mr. MACKENZIE KING: The Prime Minister need not get excited. This, he says, is as near blasphemy as this house has ever heard. I wish the Prime Minister would try to be a little more composed—there, that is nicer. I venture to say that when the propagandists get busy with this policy they will find they are unable to make much headway in persuading western farmers it will serve their interests. But has a government any right to engage in propaganda of the kind? The Prime Minister speaks of using the tariff as an instrument of national policy. He has done so to raise the prices of manufactured goods in order to help the manufacturing interests. May I suggest that a most effective way to help agriculture in this country would be to use the tariff as an instrument of national policy, but to use it to serve the interests of agriculturists as well as those of manufacturers—use it as an instrument to reduce production costs and the cost of living by lowering the tariff in regard to some of those things which will enable the western farmer to reduce his costs of production and to obtain the necessaries of life at less cost, thus assisting him in finding a way into the markets of the world with the products which he is best capable of producing. Anything more in the nature of a defeatist policy than the policy here indicated it would be impossible to imagine—the policy expressed in the wheat agreement. Can anyone imagine a business house that found it had a large quantity of merchandise available suggesting, through its head, that what should be done would be to begin destroying what hitherto had been its main source of wealth? Should not an effort be made, no matter what it might involve by way of endeavour, to search for markets in all parts of the world and so

to shape our policies that other nations, instead of trying to exclude our commodities, would be persuaded to trade with us and make exchange possible?

The next subject referred to in the speech from the throne is that which relates to banking and currency. I shall not take the time of the house to read through the paragraph which appears in the speech in this connection. The essence of it is obtained in the assertion that legislation will be introduced to create a central bank in Canada. Here we find on the part of the administration a very different attitude from that taken in previous sessions. As I recollect the subject of a central bank and banking reform has been under discussion in this house every session since the present government came into office. The attitude of hon. gentlemen opposite, and of the Prime Minister in particular, has been that a central bank could serve no useful purpose, that the purpose to be served by a central bank was already being served by the Department of Finance under the Finance Act. I believe that almost the last words the Prime Minister used in reference to this matter were to the effect that something might be said for a central bank and a great deal against it. But so far as this house has discussed the matter on previous occasions, the government's attitude has been, if anything, one of opposition to a central bank; and, where it expressed any real opinion it was to the effect that it was a very debatable question indeed. Now apparently the view of the government has changed, and there is to be a central bank.

By way of contrast with the position taken by hon. gentlemen opposite may I assert the position taken by the Liberal party? There was no equivocal note in the statement of our position; the position of the Liberal party was made quite plain session after session. Speaking in the South Huron by-election in September 1932, I stated that the time had come when a central bank should be established in Canada; that credit should be viewed as a social matter and not one purely of concern to the chartered banks; that there was need for social control of credit, and that this could be effected only through the machinery of a properly established central bank. That position was repeated in the house in the debate on the address in October of that year; it was repeated again in the house in very emphatic words in a speech that I made on February 27, 1933, setting forth the position of the Liberal party on certain immediate problems. I then stated that the Liberal party believed that credit was a public matter, not of interest to members only, but of direct concern to the average citizen; that the party stood for the immediate establishment of a properly constituted national central bank to perform the functions of rediscount, and the control of currency issue, considered in terms of public need; also that a central bank was necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people, and also to deal with problems of international commerce and exchange. Other leaders of prominence in the party have made similar assertions of our policy at different places throughout the country, so that there has never been any doubt about our position.

But hon. gentlemen opposite, evidently seeing that once again they were behind the times, are now trying in this as in some other matters to take what was part of the policy of their opponents and to make it their own. I shall not at the moment say anything about the legislation proposed with respect to a central bank, because we shall have to wait until the legislation comes in to see exactly what is proposed. What I know hon. members will wish to be assured of is that whatever bank is established as a central bank is a one hundred per cent Canadian bank, that it is Canadian controlled; they will be anxious to ascertain by whom the shares of this bank are to be owned, by whom the directors are to be appointed, in other words what the real control is to be. All these are matters which will be no doubt fully discussed when we come to study the legislation.

What I wish to speak of at the moment is this: last session we were told that a commission was to be appointed for the purpose of deciding upon the advisability of creating a central bank.

Mr. BENNETT: Not for the purpose of deciding that. That is not what was said.

Mr. MACKENZIE KING: I have under my hand the speech made by the Minister of Finance (Mr. Rhodes) at the time he announced the decision of the government. In the house on March 21, 1933, the minister said:

> Speaking in this house more than a year ago, the right hon. the Prime Minister raised the question as to whether or not a central bank should be established in Canada. In recent months the question has been widely discussed, but it must be recognized that it is a highly technical matter, upon which conclusions should be reached only in the light of the fullest enquiry into all aspects of the problem. The government proposes, therefore, to appoint a royal commission to study the organization and working of our entire banking and monetary system, to consider the arguments for and against a central banking institution—

Mr. BENNETT: Not deciding.

Mr. MACKENZIE KING:

—and to make recommendations for revising or supplementing our existing banking and monetary legislation.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, at six o'clock I was speaking with reference to the paragraph in the speech from the throne which refers to the proposal of the government to establish a central bank. I stated that I thought the government had announced, near the close of last session, that it intended to appoint a royal commission for the purpose of considering the advisability of establishing a central bank.

Mr. BENNETT: The word the right hon. gentleman used was "decided." I took objection to that word.

Mr. MACKENZIE KING: That the government had decided to appoint a commission?

Mr. BENNETT: No, that the commission was to decide.

Mr. MACKENZIE KING: No.

Mr. BENNETT: That is what my right hon. friend said.

Mr. MACKENZIE KING: My right hon. friend is quite wrong. I am sorry if he misunderstood me, and I am sorry if I was not quite clear. There would be no sense in my saying that the government appointed a commission that was to make a particular decision. What I said was that the government decided to appoint a commission to consider the advisability of establishing a central bank. That such was the intention of the government, I think, is quite plain from the order in council which appointed the commission, a copy of which appears in the report of the Royal Commission on Banking and Currency, which was tabled in the house by the Prime Minister on Friday last. I will read just a paragraph or two from the order in council, which is dated July 31, 1933:

The committee of the privy council have had before them a report, dated July 31, 1933, from the Acting Prime Minister, representing as follows:—

That it is desirable that the approaching periodic revision of the Bank Act, which will precede the enactment of a measure to continue the charters of the existing banks, to which said act applies, and which expire on July 1, 1934, shall be based on a complete and detailed examination of the provisions of said act and of the functions and operations thereunder of the banking system thereby established;

That it is also desirable that such examination should include a study of the facilities now afforded by the Finance Act and a careful consideration of the advisability of establishing in Canada a central banking institution, and, if so established, of the relation of such central banking institution to existing banks and its proper authority and function in the operation of the banking system of Canada;

I direct the attention of the house particularly to these words:

—and a careful consideration of the advisability of establishing in Canada a central banking institution—

and the further words:

—if so established, of the relation of such central banking institution to existing banks and its proper authority and function in the operation of the banking system of Canada;

The order goes on to mention other subjects that might be included, and in the second paragraph it again stresses the words:

—the advisability of establishing a central banking institution—

As I have said, the order in council was passed on July 31, 1933. The commission itself reported on September 27, 1933, and in a conclusion the commission set forth its recommendations, of which there are only two. Therefore it is pretty clear what the commission considered to be its main function. I shall read the two important conclusions. They appear at page 81 of the report:

Our operative recommendations are consequently few in number.

By a majority . . . we recommend that a central bank for Canada be forthwith established.

We unanimously recommend that an inquiry be instituted by the Dominion government, preferably with the cooperation of the provincial governments, to investigate the existing organizations for the provision of rural credit with a view to the preparation of a scheme for the consideration of parliament.

These are our two recommendations with regard to the improvement of the Canadian financial structure.

I wish now to direct your attention, Mr. Speaker, and the attention of the house to what was said by the Prime Minister after his return from the economic conference and before the report of the commission was made public. The Prime Minister made a trip to western Canada and in Winnipeg on October 10 delivered an address to the Winnipeg Board of Trade, in the course of which he expressed some views in regard to the necessity of establishing a central bank in Canada. I

will read the dispatch as it appeared in all the Canadian newspapers, as sent out by the Canadian Press from Winnipeg on October 11:

The Winnipeg Free Press, in its report of Premier Bennett's speech last night, quotes Mr. Bennett as follows:

"The resolution at the London economic conference regarding the establishment of a central bank was made from the standpoint of this country. I voted to make it unanimous and it was unanimous, so that undeveloped countries need not be dependent on any foreign money power. A central bank is the only means by which we can accomplish certain undertakings in the future and extend our credit in keeping with conditions. While our banks have given admirable service in the past and have emerged from this great crisis better than the banks of any other country, nevertheless the fact remains that an undeveloped country such as Canada will reap a tremendous advantage from the establishment of a central bank in London."

"In London" was the way the dispatch went out, and there was some confusion in the public mind as to just what the Prime Minister meant. He was interviewed as to whether he really meant a central bank in London and the information he gave the press, as I gathered it, was that he did not think it quite proper to say anything about a central bank until the royal commission had made its report and the report had been made public, but that as far as London was concerned that, of course, was an error, that it was a central bank in Canada to which he had reference. The point which is very apparent, however, is that, in informing the country as to the basis upon which a central bank was to be instituted in Canada, the Prime Minister made it quite clear that it was upon a resolution passed by the monetary committee of the economic conference that the action of the government was to be based. Also that, he said, he had been responsible at least for that resolution being made unanimous; that it had been drafted with special reference to Canada; and that, if we were to have a central bank, it would be on the basis of that resolution.

That was the position as stated at Winnipeg. But the Prime Minister made other speeches, one of them in London, Ontario, on December 7, when he addressed the Conservative association of western Ontario. At that time he was even more pronounced in his advocacy of a central bank. He even went the length of saying—and here perhaps he will not mind if I use the word—that the matter was "decided" in his own mind as long ago as 1931.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: And the Prime Minister now says "hear, hear." The Canadian Press despatch, which gives an account of the Prime Minister's speech, is as follows:

London, Ontario, December 7.—In September, 1931, Premier R. B. Bennett decided Canada should have a central bank. The conviction arrived at when the United Kingdom went off the gold standard would bear fruit at the coming session of parliament, when legislation to establish a central bank would be introduced.

Mr. Bennett revealed this as he addressed the annual dinner of the Western Ontario Conservative Association here to-night. The dinner, attended by 1,500 people, was also addressed by Hon. George S. Henry, Premier of Ontario.

When the United Kingdom left the gold standard and the exchange and money markets of the world were thrown into confusion, Mr. Bennett said he summoned the bankers of Canada to meet him in Ottawa.

And it will be remembered that at that time, September, 1931, the Prime Minister was Minister of Finance as well. The Prime Minister continues, as quoted:

Then I learned to my surprise that there was no direct means of settling international balances between Canada and London, that the only medium was New York, and the value of the Canadian dollar would have to be determined in Wall street. I made up my mind then and there that this country was going to have a central bank because there must be some financial institution that can with authority do business for the whole of the Dominion with the other nations of the world. If Canada was to be finally independent there had to be a means of determining balances, of settling international accounts, and a central bank would provide this.

Mr. BENNETT: "Financially independent" was the expression.

Mr. MACKENZIE KING: The word "financially" is not here, but I have no doubt my right hon. friend used it.

There is one section of that paragraph to which I should like to refer before dealing with the main feature of the Prime Minister's remarks. I turn to what he said as to having learned for the first time that there was no direct means of settling international balances between Canada and London. He said that the only medium was New York, and that the value of the Canadian dollar would have to be determined in Wall street. Surely the Prime Minister, who for over a year had held the portfolio of Minister of Finance, must have had a knowledge of the situation wider than that which he led the young Conservatives of London, Ontario, to believe; if he had not, it is a very great surprise. At any rate, one point is clear, namely that while Minister of Finance in the year 1931 he had decided that this country was to have a central bank.

Mr. BENNETT: Should have.

Mr. MACKENZIE KING: If that was the decision of the Prime Minister why was he

not frank with this House of Commons? After all, he is the leader of the House of Commons, and derives his position from the confidence the house reposes in him. Why was he not frank with hon. members when in 1931, 1932 and 1933, we were discussing the question of a central bank? Further than that, why was it necessary to appoint a royal commission to consider the advisability of the establishment of a central bank if, as a matter of fact, the Prime Minister had already decided there was to be one? But, more extraordinary than that, if the Prime Minister had not only decided in 1931 that there was to be a central bank, but, while at the economic conference in London, was able to bring about the passing of a resolution dealing particularly with Canada and giving reasons why a central bank should be established, why was it necessary, after the passing of such resolution, to appoint a royal commission for the purpose of finding out whether or not a central bank in Canada was advisable?

I should like to draw the attention of the house to the dates of the various statements concerning the consideration of the advisability of establishing a central bank, because these dates are of importance. It was on July 27, 1933, that the world economic conference approved the resolution embodied in the report of the monetary and financial commission. Let me read the resolution, because the reasons for the establishment of a central bank, from the point of view of the Prime Minister, do not appear to be the same as those set forth in the royal commission. I read from page 13 of the conference report:

> The conference considers it to be essential, in order to provide an international gold standard with the necessary mechanism for satisfactory working, that independent central banks, with the requisite powers and freedom to carry out an appropriate currency and credit policy, should be created in such developed countries as have not at present an adequate central banking institution.

So it would appear from what the Prime Minister has said, that the purpose of forming a central bank in Canada is that of restoring the gold standard, and that it is not so much the purpose of providing the necessary means for controlling credit, from a social point of view, which, I imagine, is the point of view from which most of the people in Canada would expect to see a central banking institution established.

That resolution was adopted on July 27. It was on July 31, some days after the passing of the resolution by the world economic conference, that the order in council establishing a royal commission in Canada to consider the advisability of establishing a central banking institution, from which I have quoted, was passed. The report of the royal commission was signed on September 27, and was not made public until November 13, though, I assume, its recommendations were made immediately known to the Prime Minister and his colleagues. Between those two dates the Prime Minister announced in Winnipeg that the London conference had passed a resolution, for which he was responsible and as a result of which we were to have a central banking institution. I confess I find great difficulty in ascertaining what the Prime Minister had in mind when he made that statement, unless it was to make perfectly sure that the royal commission would not receive the credit for the establishment of a central bank, and to make certain that no other political party or parties which had advocated such establishment would receive credit, but that the credit should go to the decision he himself had made in 1931, though not made known to others at the time Great Britain went off the gold standard, to have a central banking institution established in Canada. I repeat that if the Prime Minister, while he was Minister of Finance, had determined that such was to be the government's policy, he should have taken the house into his confidence. More than that, I suggest a very different order in council should have been passed with respect to the commission which was appointed. If the matter of the advisability of establishing a central bank was settled then, it seems to me, if a commission were appointed, it should not have had to consider the advisability of establishing a central bank but should have directed its attention to the particular functions such an institution would have to perform and kindred subjects. I submit that the parties who appeared before the commission were misled by the action of the government. The commission itself was misled. At the end of the report of the royal commission there is a list of institutions and individuals who made submissions to the commission. Most of those representations related to the advisability of establishing a central bank, and not to the particular manner in which a bank might carry on its business when established. These individuals and institutions went to a great deal of trouble and expense in their submissions; different communities retained solicitors to prepare their briefs. All these efforts would have been wholly unnecessary had it been known that the government had already decided to establish a central bank. This is only one more instance of the extent to which the present Prime Minister takes the House of

Commons into his confidence, or regards himself as responsible to the house and through the House of Commons, to the people. I do not wish to dwell unduly on the matter, but I do submit his action constituted a discourtesy to the commission, to the House of Commons and to the public of Canada. It was a matter of grave discourtesy, I believe I am using a very mild term, for the government to appoint a commission, to spend the public money on the work of that commission, and money for the printing of the report, in connection with a matter which, in the mind of the Prime Minister, had been decided long ago.

I shall now refer to the one remaining subject in the speech from the throne, namely, the one which might be called the government's policy with respect to labour and unemployment, if, indeed, it can be said the government on these has any policy. The government's position has changed so often that we find it difficult to know its position; one year it has taken one stand, and another year another. We have in this speech from the throne a statement of the government's present intention of the coming year. From the beginning the government has not had what could be called a labour policy, a policy for dealing with the unemployment situation in the period of distressful conditions which have prevailed ever since this administration came into office. In the United States the president, I think everyone will say, has been courageous and emphatic with regard to the policy which he has put forward for dealing with industrial recovery. The National Industrial Recovery Act of the United States is only part of a large scheme of national recovery which has been put forward in that country. One feature of the N.I.R.A., as it is called, is that which relates to wages and hours, a rather important factor to labour—the hours of labour and the wages to be paid for labour. That policy is well known so far as it has been in practice in the United States. It is a policy which aims at effecting certain standards for labour throughout all parts of the country. Advantage is being taken of the fact that the government in dealing more or less with an emergency has been clothed with quite exceptional powers and is in a position to do things which at another time it might not be able to do, just as our government here is in a position to do them. In the United States the president has evidently proceeded on the theory that, given very wide powers to deal with an emergency, in view of the large sums of public money to be spent, that at least some effort should be made simultaneously to improve the conditions of labour in a way which will result in their permanent improvement. So in the United States an effort has been made to establish certain definite standards for labour. The abolition of child labour and the abolition of sweating—getting rid of paying wages that are too low, and of working labour excessive hours, these are means being taken to bring about a condition in industry whereby competition as between different firms will be regulated on some uniform basis in a way which it is hoped will prove to be to the advantage alike of employers and employees. There being many hundreds of thousands out of employment, the government of the United States has thought it advisable to make regulations with respect both to hours and to wages, which have had the effect of raising wages in some of the trades where labour was more poorly paid, and of shortening hours of labour where it has been necessary to spread the available employment over a larger number of persons.

After the Prime Minister and the government had done about all it was possible to do by way of destroying the export trade of this country by raising tariffs so high that in many articles trade with other countries became almost impossible—trade cannot be carried on indefinitely in a one-sided way; there has to be a willingness and possibility to exchange commodities—a change in point of view seemed to come about. After as I have said, the government had impaired so greatly our export trade, and our trade generally had fallen to the figures which I gave the house this afternoon, the Prime Minister, returned from England, where for a time he had been moving in a world atmosphere. He delivered an address at Montreal, the first address I think he made to any public body after his arrival in Canada from the world economic conference the first address in which he seemed to have discovered that export trade was an all important factor for Canada. I had the pleasure, as I think many here had, of hearing him speak over the radio. I do not know the impression that his speech made on others; I certainly was amazed, however, when I heard, as his first pronouncement on reaching Canada, that, so far as this country was concerned, this new discovery meant that at least, we were not going to have any experimenting with higher wages or shorter hours of labour. I want to be exact in my quotation, and so I will read the Canadian Press despatch as it found its way into most of the papers. I am quoting from

the Ottawa Journal of September 1, 1933, and giving the Canadian Press report of the Prime Minister's board of trade address on August 31:

> Continuance of Canada's national life depends upon maintenance of her position as a great exporting nation, and therefore this country cannot experiment with shorter hours of work and higher rates of pay.

In other words, the Prime Minister seemed for the first time to have wakened up to the fact that Canada's real basis of prosperity was her export trade—something that apparently he had not in all his policies heretofore recognized. But the remarkable fact in regard to that discovery was, not that it seemed to supply him with a reason for the lowering of tariffs which would help to reduce the costs of production of our exports, and thereby help to make possible a wider exportation of the merchandise of Canada, but that it afforded him a reason why Canada was not to experiment with shorter hours of work or higher rates of pay that might increase the costs of production and so impair our export trade, and Canada's position as a consequence. The despatch goes on to say that this declaration was interpreted by his hearers as indicating how far Canada might go in following the recovery plan of the United States.

I just wish to say, Mr. Speaker, that while the government has failed in most, if not in all, of its policies to achieve even in a slight measure what it said it was going to achieve, it has failed more lamentably in what it promised to do for labour than in any other field excepting agriculture. Coming at a time when we have half a million men unemployed and over a million people on relief, the pronouncement to the effect that we were not going to experiment with anything that meant higher wages, even when people were getting no wages at all, and that we were not going to experiment with anything that meant shorter hours, even when there was great need for distribution of work among as large numbers as possible—this pronouncement came as a shock to many who heard it. It disclosed how completely the government has failed to grasp what is the essential feature of the unemployment situation in Canada at the present time, and shows how completely it is out of touch, if it ever was in touch at all, with the labour point of view on industrial problems.

What does the government propose in the way of dealing with the situation this year? We are told in the speech from the throne that, as a result of the conference which was held between the provinces and the dominion, the government is going to continue a little longer the system of giving money to the provinces to spend as direct relief. Speaking at Vancouver before the conference, the Prime Minister said he thought the time had come when the federal government would have to look after its own moneys and supervise their expenditure, that we had about come to the end of direct relief. So the position which the ministry had taken a few months or a few weeks before the conference met was evidently changed at the conference. Whether what was agreed to at the conference will be changed in a few weeks or not, no one can say until the time passes. But now the policy of the dole, as we said would be the case if it ever were started, is to be continued. Hon. gentlemen opposite, when they began to deal with the problem of unemployment, were told time and again from this side of the house that the only policy that would really be of effective service to the unemployed in this country and which would help to relieve distress in a way at all satisfactory was one which would help to provide work, and that under conditions where public expenditures would be carefully controlled and supervised both in the matter of their appropriation by parliament and in the close supervision of all expenditures of public moneys.

In its first year of office the ministry began the assistance of the provinces and municipalities in their construction of public works. It did so from what it claimed to be an understanding of the situation very similar to that which is now being put forward as the reason why the government itself should undertake an extensive program of public construction work. The reason given by the Prime Minister when he made the announcement of the government's present policy was that the government believed that very shortly conditions were going to begin to improve and that we should soon be on the way to better times, and having reached that period we could well go in for a system of public works on a large scale.

I do not know whether hon. gentlemen recall what was said in the speech from the throne delivered on March 12, 1931. If they do not, when they read what was said in that speech they will be struck by the similarity of the policy of the government based upon what the government believed conditions to be in 1931 with what it is to be to-day based upon conditions as they are believed to be in 1934. In the interval this old policy, the one to which we are returning at the present time, was for a considerable period abandoned. Quoting from the speech from the throne delivered at the opening of

the second session on March 12, 1931, I read in a reference to the government's policy that it:

> . . . has resulted in the institution of a nation wide program of public undertakings, each one a unit in the scheme of national development, which have collectively provided work for the greatest number of men who have ever been employed through the direct efforts of the federal government.

Immediately following this paragraph, there appears the following:

> The policies and measures I have outlined are based upon the firm belief of my government that this country is soon to enter upon a new era of prosperity.

On March 12, 1931, we were told that the government believed that the country was soon to enter upon a new era of prosperity and therefore had established a great national scheme of public works with the different provinces as units but working together as one great whole. What faith can we put in the government's present intentions and present policies when viewed in the light of a statement of that kind and what the government has since done? The statement which has been given to this country to-day is to all intents and purposes identical to that given in March, 1931, with this one additional fact: In 1931 the government had not as yet introduced the policy of the dole. We told them at the time that if they started that policy they would not be able to give it up. We now have two policies, the policy of the dole which is to run side by side with a policy of national public works to be constructed on a vast scale.

There would appear to be something significant in the time at which the government proposes to end one policy and to begin the other. We are told that this great scheme of public works is not to go into effect until late in the spring. In other words, some time before the end of the session we are to have introduced into this house another bill or estimate which will oblige the house to vote a large sum of money for a scheme of construction of public works. Let me say that if these public works are necessary it is essential that they be started now when there are large numbers of unemployed, rather than four, five or six months from now, when, according to the government's own statement, the number of unemployed will not be so large. Why is this not being done, if the primary aim is to help to solve unemployment? When one stops to consider the matter one finds oneself inevitably driven to look for some other explanation. What does one find? In regard to unemployment relief the government says, "We will continue this for a certain length of time subject to negotiations with the provinces." They do not say how long, but it will be until they begin to put this larger scheme into effect. I do not know whether the circumstance that there is to be a general election in Ontario some time this spring, that there is probably to be an election in Saskatchewan this year, and possibly one in New Brunswick, which with Prince Edward Island are the only provinces in which there remain Conservative governments, has anything to do with the proposal of the government to continue to give direct relief to these provincial governments, at least to a time which would seem to synchronize with that at which their elections are to be held, but it would appear to be so. I make no charges but I do say that apart from some such explanation there is nothing to account for the government selecting the time it has for the ending of one policy and the beginning of the other.

What about the great expenditures to be made on public works? I suppose toward the end of this session the government will have pretty well made up its mind whether it is worth while trying to hold on any longer, and whether it will have a general election in the summer or in the fall of this year. At any rate, it would look very much as though this program of public works were being fashioned with relation to what might come in the course of the year in the way of a general election. From one end of Canada to the other large amounts of public moneys will be spent on public works at a time just prior to or during a general election. Everyone who knows what has taken place with respect to relief moneys in the provincial elections which have been held is aware of the manner in which public moneys have been used by the governments of these provinces or of the dominion in order to give employment to large numbers of men during the period of the elections. The day after the elections the work in large part has been stopped; it had served its particular purpose. That kind of thing has happened all over the dominion where there have been political contests with Conservative governments in or seeking office. I do not think it is creditable to any administration to permit that sort of thing. I do not think it is going to help in the public life of our country, and it is certainly not going to save the life of this government.

May I say this with regard to a program of the kind? If large sums of public moneys are to be spent for public works, this House of

Commons should have the same control over these expenditures as it has over the ordinary expenditures of government. We should not be asked to vote to the government a lump sum of money for the purpose of carrying out public works wherever and whenever it pleases during any portion of this year or next. The government have submitted to the House of Commons the estimates for the coming year—I congratulate the Minister of Finance (Mr. Rhodes) upon having his estimates down at the time he has—and the claim is made that there have been certain reductions in the estimates. In such a claim the government is not playing wholly fair with the house or with the country, because these estimates do not include any considerable amounts for public works which amounts would otherwise be included but for this large sum which is to be voted later for the alleged purposes of industrial relief. We should know whether the moneys are being used for the purpose of relief, or for the purposes of furthering the general service of the country. If we need public buildings to serve public purposes they ought to be voted in the estimates in the way in which we are accustomed to vote the items for the various public works. If that method had been followed in the past the government and the country would have been saved a very large sum of money indeed. This question can be further discussed when we have the government's program before us.

May I draw the attention of the house to the fact that little by little the government is giving evidence of having begun to see that the measures advocated from this side of the house are the ones which they ought to have accepted at the outset. If they had been accepted three years ago a very great deal of money would have been saved the country.

I have said that the government has not had any labour policy. The Prime Minister, speaking in Toronto the other evening, said that the Liberal party had offered nothing of a constructive character.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: "Hear, hear," hon. gentlemen say. Let me remind hon. gentlemen opposite of some of the things that have been consistently and persistently advocated from this side of the house. In the first place, when the special session was called to deal with the problem of unemployment, the opposition stressed emphatically the necessity first of all of a dominion-provincial conference to consider the financial relations of the provinces and the dominion. We pointed out that in all probability, inasmuch as the depression would extend over a lengthy period, large sums of money would have to be granted and guaranteed to the provinces by the federal government and that it was desirable therefore to have at once a dominion-provincial conference to deal with the question of finances. More than that, the attention of the government was drawn to the fact that the previous Liberal administration had placed in the estimates a sum of money for precisely such a conference. The money had been voted and the conference could have been called immediately, and we directed the attention of hon. gentlemen opposite to the inadvisability meanwhile of continuing grants in aid to the different provinces, because they were forcing many of the provinces and many of the municipalities to make expenditures which otherwise they would not undertake. We said that these grants in aid should be discontinued until the suggested conference had met and some agreement had been arrived at between the provinces and the dominion.

Hon. gentlemen opposite paid no attention to that suggestion, but to-day they are beginning to regret it. They are seeing that there should even now be taken steps which should have been taken four years ago. What has happened in the interval as a result of the government's failure to adopt that proposal put forward by the opposition? The dominion-provincial financial conference was not held but the government proceeded instead with legislation increasing grants for example in connection with technical education. They found later they had to regard the statute as a dead letter. The law stands as evidence of what they were determined to do. On the other hand, increases of public debt stand in the Dominion, in the provinces and in the municipalities as evidences of the wrong course which the government has pursued.

Moreover, the opposition asserted that unemployment was Canada's most urgent national problem and advocated very strongly that there should be a representative national commission to have charge of the superintendance of all work relating to unemployment relief, a commission that would be able to coordinate effort from the Atlantic to the Pacific, to cooperate with the different provinces and municipalities in the administration of unemployment relief, in an endeavour to find work for the unemployed and to see to it that federal moneys were spent in the most economical manner possible. We also advocated that there should

be an audit by the federal government of all expenditure of federal moneys, a step which was denounced by the Prime Minister at the time as an insult to the provinces. I notice however that he himself has since been saying that he will not give further grants to some of the provinces unless they allow his auditors to satisfy themselves on many matters of expenditure. He is beginning to take the position to-day—I hope he will carry it out—that there is necessity for auditing public funds going to the different provinces from the federal treasury—a very obvious thing.

Another course we of the official opposition advocated was that all moneys for relief purposes should be voted in parliament, subject to the control which well known parliamentary methods of procedure and practice have thrown around the appropriation and expenditure of public moneys. We contended that the moneys should be voted for specific purposes and that the government should discuss in detail on the floor of the house, with its own members and with the opposition the advisability of such expenditures as it proposed to make.

Again, we took exception to the voting of public moneys in lump sums, and above all we took exception to giving to the administration a blank cheque—something which they were determined to have and which has resulted in colossal waste of public money. More than that, we opposed giving to the executive the power of legislating by order in council with respect to matters relating to peace, order and good government, which power they took to themselves by use of the closure. Under this power they have been giving guarantees of public moneys, or special privileges of one kind or another, to banks, railway companies, insurance companies and other corporations, using the moneys intended for relief purposes, not to relieve the unemployed but to help large corporations to meet some of the obligations with which they are faced. I do not say that these corporations should not have been assisted, but I do say that they should not have been assisted out of unemployment relief moneys, and I say that parliament should have been apprised in advance of what was proposed. We contend, if there were to be assistance given, parliament should have been informed, and such assistance given as the result of a direct appropriation by the House of Commons.

In all that the government has done in dealing with the problem of unemployment relief, there has been complete indifference to the relationship that should exist between the House of Commons and its obligation with respect to the control of public moneys.

Another measure we advocated from the outset was a national system of unemployment insurance. Certain measures we proposed to deal with existing emergent conditions, but we stressed a national system of unemployment insurance as something that was necessary as a measure of a permanent character. Nearly four years have gone by—we are nearing the end of the fourth year—and notwithstanding the hundreds of millions spent nothing as yet has been done to accumulate information that would be of service to the House of Commons in dealing with this great question. Among the various statements in the speech from the throne you will find no reference to an unemployment insurance measure. I think the working men of the country were expecting at least that much as a result of the conference between the dominion and the provinces last year and again this year; they have been expecting a pronouncement that the government would begin at any rate to pave the way for an inquiry into or study of a permanent scheme of unemployment insurance. But there is not a word in the speech from the throne in this regard.

These were all concrete measures which the Liberal party put forward as part of a recovery policy. In addition, we advocated as the only real basis on which recovery could be hoped for, the introduction of policies which would serve to provide employment by reviving industry and trade, and which would make for the liberation of trade, both external and internal. In addition, we advocated very strongly the development of the basic industries as another way of furnishing employment. Along with all that, there were advocated measures for the control of credit and the democratization of industry. If these proposals are gathered together the government will find that they constitute a fairly comprehensive constructive program for the relief of unemployment and for the recovery of industry in the country. Had that program been put into effect step by step, as it might have been in the last three years, we should have had a very different condition in Canada to-day; we should not now be in the position of having over a million persons on relief and over half a million or more unemployed.

The government has failed absolutely to deal with the question of unemployment; it has failed completely in effectively improving conditions, notwithstanding that it has had a perfectly free hand, having been given all the powers asked for, powers greater than those which any government anywhere at any time has ever received from a House of Commons

Notwithstanding all this, however, we find to-day a situation which is not even comparable to that which existed a year or two ago, but which is very much worse.

The government's indifference to the House of Commons in respect to unemployment relief and other matters is only characteristic of the attitude of the present Prime Minister.

I have concluded for the moment all that I wish to say with respect to the speech from the throne, but before I resume my seat I should like to say a word or two with respect to one or two matters that are in the minds of hon. members and which are conspicuous by the absence of any reference to them in the speech from the throne. It will be realized that in what I said this afternoon there has been constant reference to the fact that the government has proceeded, in practically everything it has done, as if it were an executive wholly independent of the House of Commons, rather than an executive which derives its powers from and is responsible to the House of Commons. Indeed, the House of Commons has come to be, in the phrase used by the Prime Minister himself not so long ago, a sort of rubber stamp for what the ministry may choose to do, regardless of how its own wishes and desires may be expressed, and regardless of how much those wishes and desires may represent the wishes and desires of the people at large.

In 1919 this House of Commons approved of an address to His Majesty the King praying that His Majesty should thereafter refrain from conferring titles and titular distinctions upon Canadians or persons ordinarily resident in Canada, and in accordance with this expressed wish of the house an address was presented to His Majesty. The resolution approving that address has stood upon the records unamended, unqualified, unchanged in any particular, it has not been rescinded; it is there to-day, and I believe from the time it was passed until practically the concluding hours of last session, every government, every parliament, every hon. member of both houses of parliament believed that resolution to be binding upon the ministry of the day. But at the conclusion of last session, the Prime Minister made in the house a surprise announcement with respect to the resolution which gave, not the opinion of the law officers of the crown or of the House of Commons, but his own opinion on the matter, which was to the effect that the resolution was not valid, and had no legal effect. Since that time the Prime Minister himself has recommended to His Majesty the conferring of certain titular distinctions and titles upon certain Canadians, and he has done so in defiance of the resolution as passed by the House of Commons.

In speaking on this subject I wish in the first instance, to make clear that I am not at this time going to discuss the merits of titles in themselves. This is not the time to discuss that phase of the subject. There is on the order paper a resolution which relates to the question of titles, and when that resolution comes to be discussed will be the time to debate the merits of the question. But this is the proper time to discuss the rights of and privileges of this House of Commons in respect to resolutions which it may pass and the extent to which such resolution may be binding upon the ministry.

Let me make clear one other point. In what I am about to say in this debate, I have no intention of in any way discussing the royal prerogative, beyond considering how the prerogative with respect to honours is to be exercised in the conferring of titles on His Majesty's subjects in this country. The question of the prerogative is not at issue at all. The royal prerogative is unquestioned. The question at issue is the conditions under which and the advice upon which the royal prerogative is to be exercised in this dominion, and that is the essence of the resolution which was passed by this house. It was in reality a direction to the ministry of the day as to how the commons, as representing the people of this country, believed it should exercise its power with respect to the advice to be tendered to His Majesty in the exercise of the royal prerogative as respects the conferring of titles on Canadians.

Perhaps it will facilitate debate on the matter and help to make clear just how definite and strong the trend of opinion has been, if I say a word or two about the way in which the prerogative with respect to titles has been exercised in Canada in the last fifty or sixty years. From the time of confederation down to 1902, I think one may say, the question of how titles were to be conferred, by whom the recommendation was to be made to His Majesty, was one that was more or less undefined. That I think is the simplest way in which to state the matter. There were at all events two points of view. One which I think I may say has since been wholly discarded, but which was held by the British government, was that, with respect to titles, it was the duty of the Colonial Secretary to make the recommendation to His Majesty. The Colonial Secretary in making his recommendation might do so entirely on his own initiative, getting his information from such sources as he thought best, or he might do so

more directly on the recommendation of the Governor General sometimes in consultation with, sometimes without consultation with, the Prime Minister. So far however, as the Prime Minister or the ministry of the day was concerned, until 1902 neither figured very largely in the mind of the British Government as having any real control in the granting of titles.

In 1902 the government of Sir Wilfrid Laurier passed an order in council which was communicated to Mr. Joseph Chamberlain, then Secretary of State for the Colonies, and in which the government set out what it believed to be the correct practice with respect to conferring titles upon Canadians domiciled in Canada. For the purpose of accuracy I shall quote from the communication two or three paragraphs which I think are of special significance. Before doing so however, there is one other point which at the moment I should like to make clear in connection with this discussion.

In speaking of titles in this debate, I am referring only to such titles as were taken cognizance of by the resolution of 1919. That is the only resolution which is before us for consideration; it is the one instruction binding upon the ministry in addition to the orders in council that bear upon the subject. The resolution of 1919 was quite specific in certain directions. It did not touch certain classes of recognition at all; in fact certain classes of recognition were specially exempted. It made no reference whatever to titles that appertain to an office, titles in the nature of professional or vocational appellations; it left those to one side. The committee which dealt with the matter and which made to the house the recommendation upon which the resolution was based, had considered, for example, the question of the title of "right honourable" as applied to a member of the Imperial Privy Council, and the title of "honourable" as applied to members of the government. It decided that those particular titles or designations should not be included in the address to be sent to His Majesty, and they, therefore, do not enter into the present discussion at all. So far as decorations are concerned, I have not any desire to bring into this debate the question of what are commonly called decorations.

The feeling against titles in this country is I think directed against one particular style of title, namely, that which carries with it the prefix "Sir" before the Christian name of the person on whom the title is conferred, and, by courtesy, the title "Lady" before the name of the wife of the recipient of such an honour, thereby serving to set up in this country an exclusive social class. There is where the main, in the case of many the whole, objection to titles in Canada arises: it helps to create a class which, in virtue of the manner in which its members are to be addressed by their fellow citizens, are set apart in the dominion, as a separate, exclusive class of knights and ladies. The feeling in a democratic country like Canada is very strong against that sort of thing, and that feeling has found expression in this House of Commons many years in succession, and concretely in the resolution to which I have referred. It is to that class of title I am referring. There is no necessity to refer to hereditary titles; I think that matter has been definitely settled, but the survival here of the old feudal order of knighthood, given to certain chosen individuals nominated at the instance of the Prime Minister, and which cannot be ordinarily supported without a certain amount of wealth is the kind of thing of which the people of this country want as little as possible.

I should now like to read part of the text of the order in council passed by the government of Sir Wilfrid Laurier on February 19, 1902. The paragraphs that are significant are as follows:

> On a report dated February 15, 1902, from the Right Honourable the Prime Minister submitting that the exercise of the royal prerogative conferring honours and titular distinctions upon His Majesty's subjects in Canada is one which has not hitherto been brought into harmony with the principles of parliamentary government, of which it is an important part.
>
> The Prime Minister further submits that the great development of Canada, and the high position which she has now obtained, render it advisable that upon this subject, as upon all others, the exercise of the royal prerogative shall conform to the well understood principles of ministerial responsibility.

There, as long ago as 1902, in an order in council which is still of record and in the files of the council, emphasis was laid upon bringing this whole matter into harmony with the principles of parliamentary government. Do the principles of parliamentary government permit of a ministry doing what it pleases notwithstanding the known will of the members of the House of Commons, as expressed by them, no matter what justification it may find or seek to find from other sources? Is there conformity with the well understood principles of ministerial responsibility when the ministry, at a time when parliament is not in session, does a thing which without the House of Commons altering a decision which it had previously reached by way of instructions to the ministry it would hesitate to do

and could not and would not do, were parliament in session? I mention these points because they have stood from 1902 to the present time. This is 1934; we are talking about custom and tradition and the rights of the commons. This affects every hon. member who has a seat in this house; it affects his right and privilege as a member of parliament whose constituents have strong feelings on these matters, to have his rights and privileges protected against any ministry or any prime minister. The order in council goes on to say:

The Prime Minister states that in practice, since the establishment of confederation the granting of honours and titular distinctions upon the subjects of the crown in Canada has been the result of correspondence between His Excellency the Governor General and the colonial office, and of recommendations made by the former, usually yet not invariably after consultation with the Prime Minister but not in conformity with any settled principle and without constitutional responsibility.

The practice is not in harmony with the principles of our constitutional system.

There again the same note is being emphasized. Then a little further down the order goes on:

The Prime Minister submits that while His Majesty may take the initiative in respect to the bestowal of honours and titular distinctions the minister should be none the less responsible for what may be done. To the ministers of His Majesty at Westminster responsibility attaches for every reward conferred for public service within their sphere of action. In Canada a government similar in principle to that of the United Kingdom has been established, and the advisers of His Majesty in Canada are the proper advisers of His Majesty for every kind of reward bestowed upon His Majesty's subjects for services performed within the legal and constitutional sphere of Canadian jurisdiction.

I direct attention to those words because the Prime Minister himself, speaking to this House of Commons towards the close of last session, presented the view that His Majesty was free to confer honours on his own initiative, that such was a part of his prerogative. I say that while that may be a part of the prerogative of His Majesty in the old country, thought that I do not admit for a minute so long as this, and another order in council to which I shall refer a little later stand, in Canada the prerogative cannot be exercised by His Majesty on his own initiative. His Majesty's prerogative with respect to the granting of titles in Canada is restricted by this order in council, which is part of the law of the land, and which sets forth the necessity of that prerogative being exercised on the advice of his ministers. Let me read the words again, because I think probably we will find that the leader of the government may take issue with them:

The Prime Minister submits that while His Majesty may take the initiative in respect to the bestowal of honours and titular distinctions the minister should be none the less responsible for what may be done.

It can only be on the responsibility of a ministry, and of the Prime Minister in particular, that so far as Canada is concerned, the prerogative may be exercised. The concluding portion of the order is as follows:

—and respectfully ask that the royal instructions be modified to the effect that the same rules which apply for the exercise of the royal prerogative in granting honours and titular distinctions to subjects of the king in the United Kingdom be made likewise to apply to all recommendations by the Governor General for the exercise of the prerogative to the king's subjects in the colonies, and that all such recommendations by the Governor General to the sovereign in such matters be made upon the advice of his responsible ministers.

One would have thought that the order in council would have met with immediate acceptance in the old land, but that was not so. The British government of that day and particularly Mr. Joseph Chamberlain, took the position that it was not for the Canadian government to say what should be done, but that, the Secretary of State for the Colonies, with respect to imperial orders such as that of St. Michael and St. George should make recommendations to His Majesty; that with respect to distinctions which concerned science, literature and the like, the Governor General should form his opinion and communicate with the Secretary of State for the Colonies; but that, in regard to political honours, the Prime Minister or the government of the day might of course take the responsibility of making recommendations.

I need not stop to read further from the despatch from Mr. Chamberlain, as I have outlined its main features. To some extent the matter rested at that point for a number of years. Evidently, Sir Wilfrid Laurier did not wish to be involved in a controversy; I think he was fortunate in being associated with governors general who were very like himself in their desire to work in harmony in all matters, and I believe he had no difficulty on the score of agreeing with the Governor General of the day in the matter of such recommendations as were made.

The next important stage in the consideration of this subject was in 1918. In that year the question came up because His Majesty did confer certain distinctions which proved to be most unpopular, whether or not on the advice of the Canadian government, I am not

in a position to say. At any rate honours were conferred which served to arouse feeling, particularly as they were of a hereditary character; and the House of Commons concerned itself with the matter.

I want to direct the attention of the house immediately to this point, that, whenever in these discussions the question has come up for consideration in parliament it has come up in the House of Commons. It is not a matter which has greatly concerned the other house of parliament, it is one which is primarily the concern of the House of Commons. This House of Commons is the body to which the ministry is responsible, and in all matters relating to the exercise of the prerogatives of the crown it is the House of Commons which asserts its rights in terms of how the prerogative is to be exercised.

In 1918 Mr. Nickle of Kingston introduced a resolution, seconded by Mr. McMaster, to the effect that all hereditary titles should be abolished. An amendment to the resolution was moved by Mr. Richardson of Lisgar to the effect that no titles should be granted. Sir Robert Borden, who was leading the Conservative party and the government of the day, stated to the house that a short time previously the government had considered the matter and had passed an order in council in connection therewith, which had been transmitted to the British government. He said that, inasmuch as his government had set forth its position with respect to titles, he felt that the House of Commons should take no further action in the matter at that session, especially in view of the fact that there was to be a conference in England that year which he, Sir Robert, would attend and upon which occasion the whole matter would be discussed with the British government. He gave the assurance to the House of Commons that, if the matter were allowed to stand over for another year, he would see to it that at least in that year no titles of any kind would be conferred. He carried out his promise to the extent of declining even to recommend decorations during that time, although there was nothing in the resolution or in the discussion which had touched that phase of the matter.

The order in council which Sir Robert brought down is a very important document. From it I should like to quote two or three paragraphs, because I believe they make very clear Sir Robert Borden's views. He indicated that he was dealing with a matter of concern not merely to the House of Commons but to the whole country, and that the purpose was to direct the ministry with respect to the exercise of the prerogative and not in any way to seek to restrict the prerogative of the crown, as such. The order in council is dated March 25, 1918, and is as follows:

> The committee of the privy council have had under consideration a report dated March 9, 1918, from the right hon. Prime Minister touching the procedure for conferring titles of honour upon subjects of His Majesty ordinarily resident in Canada.
>
> Submitting that the subject demands consideration and attention, the Prime Minister observes that the royal prerogative of conferring honours and titular distinctions for important public services is unquestioned, but that it is necessary to consider the conditions under which and the advice upon which it should be exercised within this dominion.

I ask hon. members to note those words. That is in the order in council which remains and governs the present ministry. The order is to-day part of the law of this country.

Mr. GUTHRIE: What gives it authority of law?

Mr. MACKENZIE KING: I regard an order in council which has not been repealed—

Mr. BENNETT: No, it has to have authority.

Mr. GUTHRIE: It is merely an expression of opinion.

Mr. MACKENZIE KING: I believe hon. members in this chamber will feel that a statement of authority which is set forth in an order in council by a prime minister in office is something which unless the order which contains it is repealed ought to bind all subsequent ministers.

Mr. GUTHRIE: But that has not authority of law. The right hon. gentleman said it had authority of law. I took exception to that.

Mr. MACKENZIE KING: This whole business of titles apparently has hereafter to be dealt with in a quibbling manner. Whatever has to be done, is to be done on a technicality. I shall not use the expression "authority of law"; I shall say authority of government.

Mr. GUTHRIE: Of the government of that day.

Mr. MACKENZIE KING: And binding the government of the day until it is rescinded. I have just been reminded that the Minister of Justice (Mr. Guthrie), who has been interrupting me, was a member of the government which passed the order to which I am referring, and apparently shared its views.

Mr. GUTHRIE: That is an expression of opinion by a government; I have said that.

My right hon. friend stated it had authority of law, and I asked him how it got that authority, because unless it is contained in a statute it has no such authority.

Mr. MACKENZIE KING: It has the authority of a government of which the minister was a member. It is a policy which he endorsed and approved. I am directing the attention of the house to the view as expressed by the leader of the then Conservative party, who was in office at the time, and I am outlining its contention as to how titular distinctions should be dealt with. Let me continue:

It is necessary to consider discussions under which and advice upon which it should be exercised within this dominion. He submits that the bestowal of honours is a matter of concern to the whole community and has a direct relation to the orderly government of the state.

There, Mr. Speaker, is a clause to which I wish to direct the attention of the house. The government of Sir Robert Borden solemnly declared, and the Prime Minister speaking for the government and for himself declared, that the bestowal of honours is a matter of concern to the whole community. I wonder if the Prime Minister of to-day will deny that such is the case. He certainly denied it when parliament was not in session; in the face of the resolution which was passed in 1919, he recommended to His Majesty the creation of certain titles. I submit that this House of Commons, representing the community, is entitled to very special consideration of any matter which a Conservative Prime Minister has said he regards as a matter of concern to the whole community. To continue reading:

Having regard to the firmly established principles of self-government in Canada the Prime Minister is of opinion that no title of honour or titular distinction should hereafter be conferred upon any subject of His Majesty ordinarily resident in Canada except upon the direct advice and responsibility of His Majesty's Canadian government. Such an assumption of control by the government of Canada follows the natural course of constitutional development in this country as the tendency has invariably been in the direction of complete control of every function of government.

In the light of the Prime Minister's apparent belief that such is not the case and that, so far as Canada is concerned, His Majesty is free, on his own initiative, to make recommendations or appointment, I submit that, from the point of view of constitutional practice and procedure and of methods which have governed in the past and still govern in connection with the exercise of this prerogative, it can be exercised in Canada only in the manner indicated in the passage I have read from Sir Robert Borden's order. Let me read one further statement:

The Prime Minister is not aware of any other prerogative of the crown which in its relation to Canada is not exercised on the advice of His Majesty's Canadian ministers and he is unable to agree that a different principle should be maintained in the exercise of the prerogative of conferring honours.

There is the following statement in the substantive part of the order:

No honour or titular distinction saving those granted in recognition of military services during the present war or ordinarily bestowed by the sovereign proprio motu shall be conferred upon a subject of His Majesty ordinarily resident in Canada except with the approval or upon the advice of the Prime Minister of Canada. The government of the United Kingdom shall exercise the same authority as heretofore in determining the character and number of titles or honours to be allocated to Canada from time to time.

I believe the last clause will be regarded as out of date now, in view of the fact that we have the statute of Westminster governing in matters of this kind. The point I wish to make clear, however, is that at the time the matter was under discussion, Sir Robert Borden and his ministry made it perfectly clear that the question of titles is one affecting the whole community and for that reason one of special concern to the House of Commons; and that the ministry could constitutionally and properly make recommendations only in the light of what it knew distinctly to be the expressed wish of the House of Commons.

That was the position in 1918. In 1919 the subject was again discussed. In the meantime Sir Robert Borden had visited England; in fact, he was in England at the time. In 1919, a new resolution was brought in, again by Mr. Nickle, this time recommending that no titles of any kind should be recommended. An amendment was proposed to that resolution to the effect that some provision should be made with respect to hereditary titles in this country which would prevent their being continued upon the death of the then holder. In the absence of Sir Robert Borden, Sir Thomas White, who was then leading the government, suggested the appointment of a special committee of the House of Commons to inquire into the whole matter and to make a recommendation to the house. A special committee was appointed which made its recommendation and it was the recommendation of that committee which was endorsed by the resolution passed in 1919. I shall read just a paragraph from that resolution:

We, Your Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, humbly approach Your Majesty, praying that Your Majesty may be graciously pleased:—

(a) To refrain hereafter from conferring any title of honour or titular distinction upon any of your subjects domiciled or ordinarily resident in Canada save such appellations as are of a professional or vocational character or which appertain to an office.

(b) To provide that appropriate action be taken by legislation or otherwise to ensure the extinction of an hereditary title.

The committee in its report says:

A suggestion was made that the titles of "right honourable" and "honourable" be discontinued, but the suggestion did not meet with the approval of the committee.

The committee in its report also went on to say:

Your committee, however, do not recommend the discontinuance of the practice of awarding military or naval decorations, such as the Victoria Cross, Military Medal, Military Cross, Conspicuous Service Cross, and similar decorations to persons in military or naval services of Canada for exceptional valour and devotion to duty.

That is the substance of the resolution of 1919. That resolution clearly was taken by the government of the day and by all subsequent governments to bind the ministry. As I have said, that resolution was not a resolution which could affect the prerogative of the crown as such. The prerogative remained as it was, and as it is to-day, and as it will continue; but what it did affect was the powers of the ministry in advising His Majesty how that prerogative should be exercised.

Just to show the house how completely public opinion as expressed in this House of Commons has been opposed to any restoration of titles, I might recall that in 1923, on March 19, Mr. Ladner, one of the Conservative members in the house of that day, introduced a resolution which would have permitted decorations—not titles, but simply decorations—to be given in recognition of services in literature, art or science. That resolution was negatived by a vote of 121 to 14, indicating very clearly what the House of Commons of that day felt about any attempt to reintroduce titles even by this seemingly innocent means.

In 1929 the present hon. Secretary of State (Mr. Cahan) introduced a resolution in the house which showed very clearly, so far as he was concerned, that he believed the government of the day to be bound by the 1919 resolution of the House of Commons, and he sought to have that resolution qualified or amended or rescinded. I think those words were carefully chosen, and I must say that I like very much the form in which my hon. friend introduced his motion. I think he went the right way about it. That was in 1929, ten years after the resolution of 1919 had been passed. My hon. friend the present Secretary of State, at that time sitting on this side, asked the house to appoint a committee to consider whether the resolution of 1919 should not be qualified, amended or rescinded. As Prime Minister of the day I had to take a position with regard to my hon. friend's resolution. I tried to give him as open a door as I could to get the matter considered. I believed that any committee that dealt with the matter would reach the decision that the resolution of 1919 should stand, but, nevertheless, I was glad to have a committee appointed, if the house were willing to appoint it, and I so stated. I said that I did not think the matter should be made a party issue in any sense of the word, but that members should be free to vote as they pleased, and I supported my hon. friend's motion. True enough the hon. member from North Huron (Mr. Spotton) sought to have the impression conveyed that, in even allowing a motion for a committee to investigate the matter as Prime Minister at the time, I was favourable to titles. However, Mr. Dunning, the then Minister of Railways, made quite clear that the government itself, if it had to take a stand in the matter, would oppose titles, but that some of its members were prepared to have a committee of the house consider the matter if the house itself was willing to have its own committee look into it. My hon. friend the ex-Minister of Justice (Mr. Lapointe) says to me not to include him, that he voted against the appointment of that committee.

Let me now read the resolution of the present Secretary of State as it was moved in this House on February 12, 1929:

That a special committee of this house consisting of eleven members be appointed forthwith, to investigate and report upon the advisability of qualifying, amending or rescinding the address to His Majesty the King, which was adopted by this house in May, 1919, dealing with the conferring by His Majesty of titles of honour or titular distinctions upon His Majesty's subjects domiciled or ordinarily resident in Canada; and also to consider and report upon the appropriate action, if any, which the parliament of Canada should take with respect to the acceptance, enjoyment or use by persons domiciled or ordinarily resident in Canada of titles of honour or titular distinctions or decorations conferred by any foreign government, governmental authority, potentate or power; and also to consider and report upon the advisability of instituting orders of merit,

distinctions or decorations, which may be conferred by His Majesty upon persons domiciled or ordinarily resident in Canada, on the advice of the government of Canada, in recognition of distinguished public services; and that such committee have power to send for persons, papers and records, and to report from time to time to this house.

That was the resolution of my hon. friend (Mr. Cahan), a very modest and, as I have said, an excellently drawn resolution. How did the house receive that motion? It negatived the motion by 114 to 60. The house would not even permit the consideration of the question of qualifying or amending the resolution of 1919. My hon. friend the Secretary of State to-day is a member of the government which is responsible for having recommended to His Majesty the giving of titles to one or two gentlemen, notwithstanding that his belief in 1929 clearly was that the resolution of 1919 was binding upon the government of the day.

Mr. CAHAN: I fail to see any inconsistency whatever.

Mr. MACKENZIE KING: More than that, the Prime Minister himself was in the house at that time, and if one reads the debates one will not find in anything the Prime Minister then said the ground he is alleging to-day for recommendation being made by the ministry to the sovereign. He himself accepted the view of the house as it was held at that time. So it is quite clear that, from the time that resolution of 1919 was passed, right down until the last session of parliament everyone believed that the resolution of 1919 was binding upon the ministry.

Now what took place last session? It is interesting to note that this matter was not brought up in the first session, or the second or the third or in the fourth session of this parliament until its very end; the government waited until almost its last chance had arrived, to take any action in the matter. What was done in the last session? As will be recalled, my right hon. friend from Argenteuil (Sir George Perley) had received a promotion in the honours list of the previous New Year. He had been a Knight Commander of the Order of St. Michael and St. George, and he was made a Knight Grand Commander. That was an innocent sort of thing, and I must say that all of us who are so fond of him were pleased to see him get the promotion. But I think it would have been much finer if he had waited to receive it until after the House of Commons had rescinded the old resolution and then to have obtained it by going in through the front door instead of by one at the back.

Shortly after the house resumed in the New Year, a question was put upon the order paper by the hon. member for Laurier-Outremont (Mr. Mercier) asking, among other things, whether this promotion meant that we were to have titles restored.

Mr. BENNETT: There was another one associated with it.

Mr. MACKENZIE KING: As my right hon. friend says, some reference was made also to other honours which had been conferred upon certain individuals, I think by His Holiness, the Pope. As far as this country is concerned we have no state church, and, so far as honours conferred by any church are concerned, they lie altogether outside the control of the House of Commons or the ministry. There is no established church and the country does not receive nuncios.

Mr. POULIOT: Might I remind my hon. leader of one thing? If these promotions came through the back door they were put at the front door by being published on the first page of the statute book of last year.

Mr. MACKENZIE KING: The exact date the question was asked is of small importance, but my recollection is that it was some time in January or February. However, it was well on in the month of May—right at the end of the session—before the question was answered. To the surprise of everyone, the Prime Minister in making reply made the statement that he did not regard the resolution of 1919 as binding upon the ministry in any way, that it was a resolution of a House of Commons in one parliament and did not bind subsequent parliaments. That is at best questionable. I notice that May, speaking of resolutions, says that some resolutions are held to bind subsequent parliaments although passed by one only; that the matter is more or less one of custom. So far as custom is concerned, it certainly had become the custom here to hold that the resolution was binding. The Prime Minister knew that hon. members felt strongly on the subject either one way or the other, and I think he must have known that they would wish to express themselves with respect to the matter in an open and straightforward way before any action should be taken by the ministry. He made that statement, and as was my duty in following parliamentary practice, I asked the Prime Minister if in view of the lateness of the session, he would not see to it that the government did not

make any recommendations to His Majesty between the close of that session and the opening of the present session. It is perfectly true that the Prime Minister replied that he would give no such assurance. That was characteristic of the sort of reply which he makes to most of the questions I put to him; I took it as such and I think most hon. members thought the same. I was not speaking for the opposition alone; I was speaking for hon. members on his side as well as hon. members on this side who wished to be given an assurance in this regard. I do not think any hon. member thought that before parliament re-assembled the Prime Minister would take action contrary to the letter and spirit of the resolution. At that time he told us that the time was too short to hope to discuss the matter at that session. If that was the case, surely there was good reason to wait until this session before taking any action. There the matter rested.

Mr. BENNETT: The Prime Minister did not object to any motion of censure or otherwise being moved by the opposition.

Mr. MACKENZIE KING: That sounds very well.

Mr. BENNETT: No, he did not.

Mr. MACKENZIE KING: As my right hon. friend well knows, it was only ten days before the close of the session and at that time we of the opposition were doing what we could to help to shorten the session.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: We were doing what we could to shorten the session in order that my right hon. friend and his colleagues might be free to go to the world economic conference. But that is the extent to which courtesies from this side of the house are appreciated by hon. gentlemen opposite. The Prime Minister knows very well that, when he waited until the very end of the session to answer that question, and when he gave the answer he did, he was taking a step which made impossible any discussion. However, I say to my right hon. friend that if he thinks that a question which affects so largely the feelings of the people can be solved by such manoeuvres, to use a mild expression, I believe he will find he is greatly mistaken. If he really had desired to put an end for all time to titles in Canada, he could have adopted no more effective means than to flout as he has the opinion of this House of Commons which expresses the opinion of the country generally.

As I say, that was the position when parliament adjourned. What was the next thing that happened? To the surprise, I think of everyone, on the Friday night before New Year's, an announcement was made that the government or the Prime Minister had decided to recommend titles. I will read the statement which was given out to the country at that time by the Prime Minister. It is an important statement and I think it should appear fully upon the records. Having been asked by the press for a statement, the following was given by the Prime Minister on the evening of December 30:

> As I intimated at the last session of parliament, the resolution passed in 1919 by the House of Commons, being one branch of parliament, is without validity in either restricting the royal prerogative or amending or repealing the existing law. It will readily be recalled that proceedings were taken many years ago against the publisher of the debates of the House of Commons in England, in which it was alleged that a well known citizen was libelled.
>
> The publisher sought to justify his action on the authority of a resolution passed by the House of Commons, but the courts decided that "the House of Commons is not the parliament, but only a coordinate and component part of parliament. The sovereign power can make and unmake laws; but the concurrence of the three legislative estates is necessary; the resolution of any one of them cannot alter the law or place anyone beyond its control. The proposition is therefore wholly untenable and abhorrent to the first principles of the constitution of England."
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> The resolution passed by the Canadian House of Commons in 1919 was transmitted to the Sovereign with great formality, but that could not give it validity, and I believe it is now generally realized that the resolution was invalid for the purposes indicated by those who promoted and supported it.
>
> Since that date Canadians have accepted honours from the heads of foreign states, and the government is of the opinion that the traditional custom of submitting recommendations to His Majesty for the bestowal of honours and awards should be resumed, and the Prime Minister has acted accordingly.

Mr. BENNETT: May I direct the right hon. gentleman's attention to the fact that that part of the quotation with respect to the constitution should be in quotation marks. I was quoting the words of Lord Chief Justice Denman. I do not know whether the quotation marks appear.

Mr. MACKENZIE KING: Which part is that?

Mr. BENNETT: The reference to the constitution.

Mr. MACKENZIE KING: I am glad the Prime Minister has indicated that because the whole four paragraphs are in quotations. That part is not singled out as a quotation

within the quotation. There, for the first time, the Prime Minister gives any reasons to substantiate the action of his government. Four reasons are mentioned. The first is that the resolution passed in 1919 by the House of Commons, being one branch of parliament, is without validity in either restricting the royal prerogative or amending or repealing the existing law. I submit, Mr. Speaker, that the House of Commons and the House of Commons alone should direct the ministry with respect to all matters appertaining to the royal prerogative. It is not for the other house to direct the ministry regarding the prerogative. That is the duty of the House of Commons. It has always been so, or at any rate, for many years, it has been regarded by the House of Commons as one of its rights and privileges, and the House of Commons in Great Britain has been unwilling to admit that a statute is necessary to control the prerogative.

Mr. BENNETT: On the contrary, it was so declared in the House of Lords within this last month.

Mr. MACKENZIE KING: I had not intended going into the matter, but seeing that the Prime Minister has raised the point I may as well go somewhat farther. In 1870, the government of Mr. Gladstone had endeavoured to abolish by statute the system of purchase of commissions in the army, but the bill was obstructed or defeated in the House of Lords. Mr. Gladstone thereupon advised the sovereign to cancel the royal warrant regulating the sale of commissions. Queen Victoria, recognizing that the ministry, which was responsible to the House of Commons, was the source from which the sovereign should be directed in the matter of the exercise of the royal prerogative, acted upon the advice of Mr. Gladstone and issued a royal warrant cancelling the warrant regulating the purchase of commissions in the army, and the system of purchase was effectively disposed of in this way.

There is another case that came still later, in 1890. At that time a statute had been introduced by Lord Salisbury for the cession of Heligoland to Germany in consideration of Germany's having recognized the claims of Britain to Zanzibar. When the bill was before parliament Mr. Gladstone, ably seconded by Sir William Harcourt, took the view that the government, by making the treaty a subject of legislation, had abandoned the treaty-making prerogative of the crown. He proceeded to show that the prerogative of the crown, exercised by the ministers of the day, was subject to review by the House of Commons and by the House of Commons alone, whereas a bill required the sanction of the House of Lords. Mr. Gladstone pointed out that the commons, in countenancing such procedure and sharing its jurisdiction with the House of Lords, was halving a right which was peculiarly its own, namely, controlling the exercise of the royal prerogative. That position I think is the sound one—the position that the ministry is responsible to the House of Commons, and that the Commons should direct the ministry in this particular. That, I submit, is the true position to be taken with regard to the exercise of the royal prerogative.

The Prime Minister raises a very grave issue, an issue which is entirely new and which deprives this House of Commons of rights and privileges it ought zealously to maintain, when he states that, with respect to the exercise of the prerogative, the House of Commons must share that right with another house of this parliament. The control of the exercise of the royal prerogative in Canada is the peculiar right of this House of Commons, and I am amazed that one who is the leader of the House of Commons, deriving his authority from the House of Commons, should take any view to the contrary. If the House of Commons ceased to support him he would cease to be Prime Minister, notwithstanding all that the other house might seek to do for him, notwithstanding that every member in the other house might be a follower of his own. His power is entirely dependent upon the support he receives from this House of Commons. In the matter of the exercise of the royal prerogative, one of the most vital of the rights and privileges of the House of Commons is that of directing the ministry with respect to the manner in which it is to be exercised.

Take the next point. He says:

> It will readily be recalled that proceedings were taken many years ago against the publisher of the debates of the House of Commons in England, in which it was alleged that a well known citizen was libelled.

I think I am right in saying that the case upon which the Prime Minister relies to support his position is that of Stockdale vs. Hansard—he says yes. Well, that case was decided in 1839, nearly one hundred years ago, and the Prime Minister tells us that it is in virtue of that decision given nearly a hundred years ago that he and his government to-day have taken the action they have. Now, what was that case? Stockdale was a publisher of

books and magazines, and one of his books had been referred to in a parliamentary report as being obscene, and on that ground he brought an action against Hansard Brothers, who were the publishers of the government reports, for having libelled his firm in giving publicity, in the way in which it was done, to this characterization of a particular book. Hansard Brothers set up the defence that they had been ordered by the House of Commons to publish its reports, and the courts very rightly held that an order of the House of Commons was not superior to the law of the land and that it could not protect Hansard Brothers in that libel action because a resolution of the House of Commons did not run beyond its own membership, and the law of the land was supreme. That is perfectly sound; certainly the law of the land is supreme. But that case, far from supporting my right hon. friend, does the very opposite. All that it does is to say that, outside of this House of Commons, no subject can plead a resolution of the House of Commons to protect him in an illegal act. What my right hon. friend overlooks however is the fact that a resolution passed by the House of Commons is binding upon those within the house, is binding upon the ministry, which is responsible to the House of Commons. It is not with respect to what lies outside of the House of Commons, but with respect to what takes place within the house, that the resolution has its force. The case of Stockdale vs. Hansard has no bearing on the question before us.

If my right hon. friend wanted constitutional authorities he would have been better advised to cite the case of Bradlaugh vs. Gosset, in which it was made perfectly clear that the courts could not control the Commons in the matter of their resolutions, and that the Commons could take action with respect to matters of concern to itself, which no court could interfere with. And that is what this House of Commons did when it passed the resolution of 1919. It was not trying to override the courts of the land or to circumscribe the royal prerogative by resolution. What the House of Commons was seeking to do was to restrict the powers of the ministry with respect to the advice to be given the sovereign in the exercise of the prerogative of conferring honours, and I say that in this regard the grounds which the Prime Minister has given in support of his position are untenable. At any rate, he should have waited until they were debated in the House of Commons before advancing them as a reason for the action which the government took.

What is the third reason he gives? He says:

> I believe it is now generally realized that the resolution was invalid.

I take the opposite view. I think it is now recognized that the resolution was valid and that every hon. member had so believed for a period of ten or fifteen years. The governments of Sir Robert Borden, of the Right Hon. Mr. Meighen, and the late Liberal administration, and the last four parliaments as well, all believed that the resolution was valid.

The last ground is that Canadians have accepted honours from heads of foreign states which simply amounts to saying that two wrongs make a right. I agree that, if honours are not to be accepted by Canadians from the sovereign of our own country, certainly they should not be accepted from sovereigns of other countries. But the resolution of 1919 was not a controlling factor in that situation; it could not bind the ministry of the day with respect to foreign sovereigns and what they could do; the ministry had nothing to do with advising foreign sovereigns. To control a situation of the kind a statute would be necessary which would restrict the rights of Canadian subjects. But, in respect of advising our own sovereign, the ministry had full power and will continue to have it. In view of these considerations I say that the action of the Prime Minister was nothing short of an affront to the House of Commons; it was, to say the least, an act of discourtesy and I am not giving these words simply as my own. I have in my hand an editorial of the Winnipeg Tribune, which is a strong supporter of the administration.

Mr. BENNETT: Oh, no.

Mr. MACKENZIE KING: I think it expresses pretty well the view that the press of Canada generally have taken when it says, referring to the Prime Minister:

> To say that he has affronted parliament is to state the fact mildly. He has treated it with disrespect.

But may I draw attention to one other fact, namely that His Excellency the Governor General had already summoned this House of Commons. The question I should like the Prime Minister to answer is this: After His Excellency the Governor General had summoned parliament to consider matters of concern to the country, and after members of parliament had been advised of that summons and were preparing to come to Ottawa, why was it necessary for my right hon. friend, in the interval between the time of issue of

this summons and the assembling of parliament, to take this step in defiance of the resolution of the House of Commons? There was, furthermore, the notice of a resolution of which the Prime Minister had knowledge, and which would come up for consideration immediately the house reassembled.

Mr. BENNETT: And which is not violated. Look at the resolution.

Mr. MACKENZIE KING: I do not care whether it has been violated or has not; it relates to the subject of titles and thus brings up the whole question. The Prime Minister knows this. Another small technicality—

Mr. BENNETT: No technicality.

Mr. MACKENZIE KING:—in dealing with a large subject. I should like to know the reason the Prime Minister found it necessary to do that. In taking the step he did, he was as discourteous to the crown's representative in this country as he was to the House of Commons. When the crown's representative summoned the commons here to discuss public business, I think the commons had a right to expect that they would be free to discuss matters which they knew were coming up for immediate consideration, and to do so without their position being handicapped or circumscribed or altered in any way, as it certainly has been by the action of the Prime Minister.

Let me go one step further. The Prime Minister on the day of the opening of parliament, before making his motion that the speech from the throne should be considered on a certain day, introduced a bill relating to oaths of office. At that time I asked the Prime Minister what the purpose of that bill was.

Mr. BENNETT: No, to explain it.

Mr. MACKENZIE KING: Pardon?

Mr. BENNETT: I was asked to explain. Those are the words.

Mr. MACKENZIE KING: Yes, the Prime Minister was asked to explain, and I continued to ask him whether the purpose of introducing that measure was not to assert the right of the Commons to deal with matters of concern to themselves before taking up matters of concern to the crown. He, as I recall, replied that I, having been prime minister, ought to know the purpose as well as he did, seeing that this had been a custom for fifty years. May I point this out to my right hon. friend: not only has it been a custom for the last fifty years; it has been a custom from the reign of Queen Elizabeth, for the Commons to assert its right to take up matters of concern to its members before dealing with matters of concern to the crown.

What is of more intimate concern to the Commons than the question of the prerogative of the crown and how the royal prerogative is to be exercised? Seeing that the governor General had summoned parliament and that the Prime Minister himself knows the tradition of the House of Commons with respect to the assertion of its right to deal with its own matters before taking up questions of concern to the crown, why did my right hon. friend take the step he did at that time? There can be only one of two explanations. One is that he must have anticipated that, if he did not take some action at that time, as soon as parliament met, the resolution of the hon. member for East Hamilton (Mr. Mitchell) would come up, the whole question would be open for discussion, and that a course would be adopted similar to that which was proposed by the Secretary of State (Mr. Cahan), namely, that a committee should be appointed to consider the matter and bring in a resolution and that the Prime Minister believed that, if any such committee were appointed, it would bring in a resolution praying His Majesty not to grant titles to Canadian subjects. If the Prime Minister knew or believed anything of that kind would occur, he was doubly wrong in taking the course he did, because he was going diametrically opposite to what in his heart of hearts he must have known was the feeling and wish of the House of Commons.

On the other hand, he may have felt that if he could change the issue in some way, if he could bring it about that when the subject came up for discussion the position of the government would in consequence of their action be at stake, then, the question would be, not so much with respect to titles, as to whether or not hon. members opposite would retain their seats for the remainder of the present and possibly another session. In that way he may have thought the question of titles would be sidetracked and the real issue never faced. Here again if he entertained any such belief the Prime Minister was doubly wrong in the course he took. Those are two possible explanations; if there is any other, I hope the Prime Minister will give it to the House of Commons. The point that needs to be emphasized at the moment is that, in so far as the Prime Minister's action is concerned, we have to all intents and purposes been told that the question of the prerogative of the crown and the manner in which it is to be

exercised is of no concern to the House of Commons. That is one of the largest issues that can be raised. In taking the stand he did, he is entirely wrong. He has against him public opinion, as well, I believe, as hon. members of the house as a whole if they were free to express their own convictions.

I shall bring my remarks to a conclusion by making a reference—

Mr. GOTT: Four hours.

Mr. MACKENZIE KING: My hon. friend says: "four hours".

Mr. GOTT: Four hours and twelve minutes.

Mr. MACKENZIE KING: If I were to attempt to catalogue the sins of omission and commission of this government, I should have to talk for forty hours. I believe it is important at this time, to place before the house some of the reasons why not only hon. members on this side, but the country generally feel that the present ministry have lost all authority to continue to govern in this dominion.

Mr. Speaker, I would have concluded at this point, but for the fact that, for reasons best known to himself, the Prime Minister thought well on the eve of the reassembling of parliament to deliver in the city of Toronto an address about as offensive in the tone of its utterance and the extent of its misrepresentation, as any public speech could possibly be. I do not intend to let that Toronto speech pass without making some reference to it, even if it takes another hour to do so.

Let me read a few extracts from what the Prime Minister said, and in this connection I should like hon. members to consider the body that he was addressing. It was the annual banquet of the Federation of Conservative Young Canada Clubs of Ontario. We have in the Prime Minister's utterances the example which the present Prime Minister of Canada is setting young Canada of the manner in which public issues in this country are to be discussed. This is the way in which politics are to be kept upon a high plane in our country, and the manner in which national righteousness is to be upheld in the dominion. Let me read the first paragraph of the report as it appears in the Ottawa Journal of January 22, from Toronto by direct wire by Canadian Press. These are the words of the Prime Minister:

"The Conservative policy since confederation had been to keep faith with the best traditions of the past and to build a better and more united Canada to pass along to posterity." the Prime Minister said. "The Liberal policy had been to seize upon every opportunity of suspicion and unrest, to tear down and destroy."

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Yes, I expected some hon. gentlemen to say "hear, hear"; it is what I would expect from some of them. It was not what I would expect from many, and it did not come from many. I ask hon. gentlemen to listen to this:

Those who profess the Conservative faith are responsible for this great dominion. In time of suspicion, doubt and unrest it has been to this great party that the people have always turned.

"Those who profess the Conservative faith are responsible for this great dominion." I cannot imagine that a more ungenerous, a more unchivalrous and a more untrue statement could possibly be made by any public man in Canada than what is expressed in those words. I should like to know whether in the Conservative party has been included all those early pioneers who settled this country, first of all those from France who settled in Quebec, and later those who settled this old province of Ontario. I should like to know whether in the Conservative party of Canada has been included all those who pioneered in the great west and out on the Pacific slope. I should like to know whether in the Conservative party has been included all those who sought in one way and another to serve their country in these halls of parliament. If it has not been so, the statement of the Prime Minister is as untrue as it is unchivalrous and ungenerous. Yet these are the words which he addressed to the youth of the Conservative party; this is the example he set for them in discussing the public issues of the day. To-night I am not going even to attempt to refer to what has been done in this country by great men of both political parties, but I will say that, so far as the upbuilding of Canada is concerned, any man who is patriotic in the true sense of the word will be only too ready to share with men of all political parties the praise that is to be given to those who have taken part in this great work.

Now what is the next statement, Mr. Speaker? It has reference to preferences. Here is what the Prime Minister is reported to have said to the young men who are coming on: "For thirty-five years the country laboured to undo the wrong done by the Liberal party in regard to preferential tariffs and reciprocal trade within the empire," he declared, recalling Laurier's assertion in

London that "what we give we give you freely," and without hope of return. "In 1932 this situation was rectified, and preferential, reciprocal trading agreements with all parts of the empire were negotiated."

For thirty-five years, the Prime Minister said, this parliament laboured to undo the wrong done by the parliament of Canada in regard to preferential tariffs.

Mr. BENNETT: Not this parliament.

Mr. MACKENZIE KING: To undo the wrong done by the Liberal party in regard to preferential tariffs. It was parliament that enacted the preference. In making this statement apparently the Prime Minister forgets that Sir Robert Borden, as leader of the Conservative party, held office in this country for many years and that Right Hon. Arthur Meighen, as leader of a Conservative administration, also held office in Canada for some considerable time. During all that period of time when the Conservatives were in power, the British preferences introduced by Sir Wilfrid Laurier remained on the statute books to all intents and purposes unchanged. Yet the Prime Minister tells these young men, who are to be trained in accuracy and truth in discussing public matters, that for thirty-five years the country has laboured to undo the wrong done by the Liberal party in regard to empire preferential tariffs.

What is the fact with regard to preferential tariffs? When Sir Wilfrid Laurier introduced the preferences he did so because he believed that by giving a preference to Great Britain he would encourage trade both ways across the Atlantic; that, by giving a preference in our markets to some British goods, a greater demand would be created in Britain for the products of our farms, fields, forests and mines, and that a larger amount of trade would pass between this country and the old land, also that consumers in Canada generally would benefit. What was the result? The Prime Minister tells us to-day that the way to find out whether or not a country is prosperous is to look at its balance of trade. What is the result when we look at the balance of trade over that period? Taking it from the time the British preference was introduced down to the time of the United Kingdom-Canada agreement, there was a favourable balance of trade so far as Canada was concerned every year. This is the wrong that the Prime Minister says the Conservative party of Canada has been trying to undo. In those thirty-four fiscal years, the total of Canada's favourable balance of trade with the United Kingdom amounted to $5,978,000,000.

[Mr. Mackenzie King.]

That was the result of the British preference as introduced by Sir Wilfrid Laurier, and this benefit to Canada's trade is the great wrong which the Conservative party has sought to undo by means of this United Kingdom-Canada agreement.

But that, Mr. Speaker, was not the only subject on which the right hon. gentleman touched. He had a word to say about the depression, and here I think he was running pretty true to form. His utterances reminded me, as I think perhaps I will be able to show him, of some of the things he said in the last campaign. What do you imagine the present Prime Minister said to these young men, Mr. Speaker, of the attitude of his political opponents towards the existing depression. Here are his words:

> "And while those of Conservative faith have been working with high courage and unstinted effort to bring an even keel, what do we find on the Liberal side," he asked. "We find unrest capitalized, suspicion capitalized, distrust sown, efforts everywhere to tear down the faith of the people by teaching strange doctrines and the worship of stranger gods. They have indulged in a campaign of reckless, harsh, unending criticism, fundamentally directed against our basic institutions and the foundations on which they are built."

I do not know, Mr. Speaker, of any government that has ever been given quite as free a hand in carrying out its policies as has the present administration. I do not believe there has been a leader of an opposition at any time in this parliament or any other parliament who has been more generous to his opponents than I have been in the matter of criticism in these trying times. If any complaint has been made against me by my own friends, it has been that I have not spent more time in condemning the government in all parts of the country. But I have recognized the difficulties with which they have had to contend, and I have felt that the country would feel it was reasonable to allow the ministry as free a hand as possible, though in this parliament I have not hesitated to say quite frankly what I thought when I believed their policies were doing more harm than good and when I felt they were exceeding all rights, even under the pretence of their doing so in order to meet an emergency. When the Prime Minister uses language like this, I am obliged to recall to him some of his own words, in order that the young men of the country may see it is the sort of thing he is accustomed to say. He said that the Liberal party had been seeking to capitalize unrest and suspicion, to sow distrust and to tear down the faith of our people. Listen to this, Mr. Speaker:

Here is what the same gentleman said in an address to the electors of this country in the city of Winnipeg on the occasion of his opening a great political campaign the result of which was to bring him into office. The right hon. gentleman accuses the Liberal party of seeking to tear down the faith of the people. Let me read some of his statements; first in reference to the government of the day:

This group of mercenaries holding office by sham and subterfuge, look upon them as treacherous to you, self-confessed, deserving of your passionate condemnation.

Then, speaking at Regina:

Now we have unemployment, people walking our streets, men and women hungry. We have all these things in this great rich country.

Of course there is no effort in those expressions to capitalize unrest and sow distrust! Then, listen to this:

They play with the lives of men and women. What for? Do they realize there are lives that they are playing with, food for wives and children, hunger. Nine years of wasted effort before the great betrayal. It did not take Judas that long.

No capitalizing of unrest in that; no seeking to raise suspicions; no sowing of the seeds of distrust; no effort to tear down the faith of the people in their institutions or their leaders in expressions like that—no.

Referring to myself, he said:

However blind he may be to your future and deaf to your present needs surely he cannot stop his ears with smug complacence and self-esteem, to the cry that carries across the nation, the cry of the destitute and hungry, the cry of mothers and fathers and little children who call to us as Christians and as Canadians to heal their pain.

No sowing of distrust or suspicion or capitalizing of unrest in these words. But by way of recognition of the moderate attitude which his political opponents have taken toward him and his administration, he tells the young Conservatives of this country that it is in language such as this they are to learn to speak of their political opponents. I shall say no more upon that subject. I submit however, that something better than that might have found expression from the lips of one who has been holding and still holds the office of Prime Minister in Canada. Something better than that should have been forthcoming and was due the type of audience the Prime Minister was addressing.

The next subject to which the Prime Minister referred was that of the railways. For some reason or another he keeps reverting to the question of railways, always striving to make it appear that the railway problem in Canada to-day is due exclusively to the policies of the Liberal party, and that anything the Conservative party has done is in no way responsible for railway difficulties. In regard to the railways the Prime Minister said:

The Conservative policy has been constructive and it left a legacy of a united dominion with one transcontinental railway binding its scattered provinces together. The Liberal party left a legacy of two transcontinental railways in addition to the one already in existence, and impaired our financial resources for generations to come that two might exist in order to destroy all three.

Can you believe that, Mr. Speaker? That is an exact quotation from a press report. The statement is that, first of all, the Liberal party constructed an additional two transcontinental roads, and did so why? They did it, the Prime Minister says, so that the two might exist in order to destroy all three! To continue the right hon. gentleman's remarks:

To-day we have $1,000,000,000 of indirect debt to bear witness to their shortsightedness, costing us $1,500,000 a week in interest charges alone.

Legacy of debt, perpetual deficits and duplication of railway facilities left by the Liberals when they stepped down from power.

No doubt the railways to which my right hon. friend referred were the National Transcontinental and Grand Trunk Pacific, the Canadian Northern, the Grand Trunk system which has been taken into the present Canadian National Railway system, the Intercolonial and the Canadian Pacific Railway. May I remind the right hon. gentleman to begin with, that the Intercolonial and the Grand Trunk railway were constructed before the Canadian Pacific railway had been thought of. The Prime Minister knows that the construction of the National Transcontinental and Grand Trunk Pacific was the subject of discussion, the main issue in fact, in two general elections. One party alone did not have to do with that matter. The Canadian people as a whole approved of the construction of that railway. As my hon. friends well know, they approved of it in two general elections.

Some hon. MEMBERS: Nonsense.

Mr. MACKENZIE KING: May I remind the hon. members who have interrupted that when they criticize the Liberal party for having constructed the transcontinental road, which is now government owned, they must remember that the leader of the Conservative party took issue with the Liberal government when it proposed to have part of the transcontinental system—the Grand Trunk Pacific—controlled by a private corporation, and took

the position that the entire transcontinental road ought to be government owned. On May 26, 1904, Sir Robert Borden, leader of the Conservative party, moved a resolution which, while differing from the proposal of the Laurier government, was equally a proposal for a second transcontinental railway. Let me read Sir Robert Borden's motion as it appears in Hansard of May 26, 1904:

> The house is of opinion that instead of ratifying the proposed agreements it would be more in the public interest that the dominion should assume the whole obligation necessary for extending across the continent the present government system of railways thereby completing a transcontinental railway from the Atlantic to the Pacific entirely owned by and under the control of the people of Canada.

I wonder how it is that the Conservative party is to share no responsibility for the construction of a second transcontinental railway when that is the policy enunciated in this house and upon which it based its claim to power in a general election.

Then, what about the Canadian Northern Railway? That railway was begun as a local undertaking in the province of Manitoba, and extended over the prairies. The Canadian Northern management came to the Liberal administration and asked for a guarantee of a loan of $35,000,000 to enable them to connect their western lines with the centres in the east. That guarantee was given by the Liberal administration very largely in order to help the farmers of western Canada. The Liberal administration was also asked for a guarantee of a loan to make possible the extension of the road to the Pacific ocean. That request, however, the Liberal government refused; but the application was granted later by a Conservative government.

Mr. BENNETT: By a provincial government.

Mr. DUFF: What about the $75,000,000?

Mr. MACKENZIE KING: What are the facts in connection with the actual construction of the mileage of the Canadian Northern? The annual report of the Department of Railways and Canals shows that up to the year 1911 there were 4,840 miles of operated line. In 1914 there were 6,542 miles and in 1920 there were 9,742. In other words, the largest part of the Canadian Northern system was built during the term of office of the Conservative administration, yet the Prime Minister states we have to thank the Liberal party for all the roads in existence save the Canadian Pacific. May I go a step further and remind my hon. friend about some of his own statements. He himself spoke, I do not know whether it was for four hours, but I think it was about that length of time, on this very matter, vehemently condemning his own party, the Conservative party, not the Liberal party, when in 1914 it guaranteed a $45,000,000 loan for the completion of the Canadian Northern as a third transcontinental. Though my hon. friend says, "hear, hear" to my remarks, he told the Young Conservatives of Toronto that it was the Liberals they had to thank for these railways.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: May I come to another phase? My hon. friend speaks of deficits and the like. What did he himself say in this very parliament in claiming credit for the Canadian National once it had got into good running order under years of Liberal administration? Both he and the Minister of Justice (Mr. Guthrie) tried to claim for the Conservative party the paternity of this second transcontinental road. Let me read the Prime Minister's own words spoken in this house on June 8, 1928:

> The consolidation of these roads took place first under the Union government and later under the Conservative administration. The consolidation could not be carried into effect until the judgment of the privy council was delivered, and that judgment was not delivered until after the Conservative administration had been defeated. But the consolidation as such, the framework, the skeleton and the statutes were prepared before the present government took office.

That was when the Liberal party were making a success of the Canadian National and the present Prime Minister was seeking to claim the credit for it. What did the Minister of Justice say about the national railway? He did not give credit to his present deskmate, the Prime Minister, but he did give credit to another leader of the Conservative party, and in very emphatic terms. Speaking in this house on March 7, 1929, he said:

> The National Railway system in this country constitutes a lasting monument—

Not to the Liberal party, but a lasting monument:

> —to the ability and statesmanship and determination of a single man—

Not the present Prime Minister:

> —a member of a former Conservative government, and subsequently Prime Minister of that government. It is to his ability and foresight, to his statesmanship and determination that the people of Canada are indebted for this wonderful system of National railways.

I might quote at some length to show how the deficits on these roads have mounted up

to what they are. I wonder if the Prime Minister has forgotten what was done by a Conservative administration with respect to the stock of the Canadian Northern, how, notwithstanding the report of the Drayton-Acworth commission that the stock of the Canadian Northern was of no value, or in the actual words of the report:

> The shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern.

—how, notwithstanding that that report was before them, a Conservative government gave a value of $10,000,000 to that valueless stock, thereby adding that much to the debt of this country.

Mr. BENNETT: Not a government but a commission.

Mr. MACKENZIE KING: It was a Conservative government that agreed to pay the money.

Mr. BENNETT: It was an arbitration by a commission.

Mr. MACKENZIE KING: I could mention other matters which perhaps the Prime Minister has forgotten. It was the government of 1917, not a Liberal government, that brought down the Canadian Northern railway acquisition bill. When these roads and the Grand Trunk were in a state of bankruptcy it was a Conservative government which, instead of permitting them to go into the hands of a receiver, took over the whole obligations, paid out money and incurred fresh liabilities in taking over these roads and their debts, and making them part of the debt of Canada.

Mr. BENNETT: That is what I opposed.

Mr. MACKENZIE KING: The Prime Minister says he opposed it, and yet he tells the Young Conservatives in Toronto that the Liberal party was responsible for all these obligations.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I shall not at the moment take up the time of the house by recalling what was given to the Canadian Pacific Railway Company in land grants and in money, exemptions from taxation, and the rest of it. If I wanted to, I think I could show how a very considerable part of our debt has been due to what was given by the Conservative government to the Canadian Pacific Railway.

But there is one order in council to which I wish to refer before I conclude, and that is a new railway guarantee given by the present government since this house prorogued last session. I have in my hand a copy of an order in council giving a guarantee to the banks of their loan of $60,000,000 to the Canadian Pacific Railway Company. The loan was made by the banks I believe in midsummer, or an undertaking was given I understand at that time that the loan would be made. On November 29 the government formally by order in council guaranteed the banks to the extent of $60,000,000 in this matter, and Mr. Speaker, this was done under the Unemployment Relief Act. Again this is for the relief of the unemployed. This is the kind of thing that I have been taking exception to all afternoon, the guaranteeing and expending of public moneys for the purpose of assisting corporations, and then allowing it to be understood by the public that these millions upon millions are being spent in order to help unemployed workers in different parts of the country.

I should like to know why the Prime Minister kept this order secret for so long a time.

Mr. BENNETT: He did not. It was issued on November 29 when it was passed, and a copy of it was sent to the right hon. gentleman by myself.

Mr. MACKENZIE KING: In the early part of the summer word was current all over the country that the government was going to support the banks in their loan to the Canadian Pacific Railway Company.

Mr. BENNETT: The order in council itself sets out the reasons for it.

Mr. MACKENZIE KING: I have the order in council, and as my hon. friend says, and as I expected he would say, he sent me a copy. It is the only copy of an order in council he has sent to me during the time I have been leader of the opposition. The order in council was passed on November 29, and a copy of it was sent to me a few days afterwards, probably because my hon. friend had seen that a month or so before, when it was current rumour that the order had been passed, I had stated that I did not know whether the order in council had been passed or not, but that if it had been passed I thought parliament should at least have been consulted before any guarantee of such an amount should be given to any corporation. The Prime Minister was evidently anxious that I should see that the order in council had not been passed at the time I had been speaking. But the significant thing is that

the banks had got their undertaking months before. Why was the credit of this country promised to the banks? They had made their loans under the guarantee of the government, and on the understanding that the government was going to support them, and I cannot understand why the passing of this order in council should have been delayed until November 29. The country's credit had evidently been pledged on the word of the Prime Minister, and without any order in council. Before the session is over we shall doubtless find out.

Mr. BENNETT: The order in council shows the reason why.

Mr. MACKENZIE KING: The reasons as I have read them are not very conclusive. It was clear at the time they sought it, that the railways knew where the money was coming from and that the government was going to be back of the loans made by the banks. What I do take exception to is that, in these matters which involve an increase in what the Prime Minister has described as a colossal public debt already arising from the railways, we in this House of Commons should be made responsible for another guarantee of $60,000,000 to a railway, and not have an opportunity of even having our voices heard. That is the ground upon which I take exception. This is only one of a large number of orders in council of a similar kind relating to the guaranteeing of millions of dollars of the country's money, millions to guarantee the banks on account of wheat, millions to support railway corporations and assist other corporations, and yet in all of these things the House of Commons, which is responsible to the people for the expenditure of public money and is supposed to exercise some control over it has not had any voice at all and knew very little and in some instances nothing at all about the transactions themselves. The Prime Minister will probably say that the house was not in session when it was necessary to issue the orders. May I say to the Prime Minister that he is able to anticipate most needs before parliament prorogues and that he is always at liberty to call the house into session. If there is a necessity to make a guarantee of $60,000,000 to a railway corporation or to banks that have loaned that amount, that is ground in itself sufficient for bringing the House of Commons together to discuss the matter. We have had special sessions and there is no reason why the government should not in this matter as in many others have consulted the House of Commons.

This enables me to stress the point I sought to bring out with emphasis this afternoon, namely, that in all its major acts this government has for the most part ignored the House of Commons. We are treated as though we were here simply for the purpose of registering the will of the government, and, as the Prime Minister himself has said, being a sort of rubber stamp.

Mr. BENNETT: What do you mean by that?

Mr. MACKENZIE KING: Not only has the House of Commons grounds for having lost confidence in the government, but the government no longer enjoys the confidence of the people. As I said at the beginning of my remarks this afternoon, this lack of confidence of the people in this government has been made abundantly clear by the way in which the people have spoken at every opportunity they have had in by-elections during the last couple of years whether the election has been held in the maritime provinces, in Quebec, in Ontario or in the west. The government's policies have not brought about the improvement in conditions which the government said would come under them. Conditions have become worse instead of better. The government has failed to bring forth any real policy on agriculture; it has failed to bring forth any real policy on finance and monetary matters; it has failed to bring forth any policy on labour matters. It has had no policy except one of restriction in matters of trade. In all these things and in many others, it has been deplorably deficient.

With respect to matters in which this House of Commons is vitally interested in preserving its own rights and privileges, and thereby protecting the people in their rights, the government has been more than indifferent. It has forfeited every right to continue longer in office. Therefore, Mr. Speaker, I beg to move an amendment to the address which I believe to be demanded by the people in consequence of the hopeless way in which the government has carried on the administration of the country's affairs during the last three and a half years. It affords the only means of giving expression to their views, the only means whereby the country can expect the change of policies needed in order to get Canada out of this prolonged depression and again on the path to prosperity. The amendment is seconded by the hon. member for Quebec East (Mr. Lapointe), and is as follows:

That the following be added to the motion: "We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country."

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, after listening to something over four hours of effort on the part of the right hon. leader of the opposition (Mr. Mackenzie King) one would conclude that we are living in the days of abounding prosperity and that this was a debating society met together for the purpose of having a little friendly discussion. There has been nothing to indicate that the country has been in the throes of the greatest depression of history; nothing to indicate by any stretch of the imagination that we have been passing through the greatest catastrophe of history. Comparisons have been instituted of the trade of 1927, 1928 and 1929 with the trade of the most depressing years of which the world has had a record. Incomparable things have been compared, and it has been sought to have the house believe that the conclusion to be drawn from these comparisons constitute good reasons why this government should lose the confidence of the house.

May I direct attention to the fact that Mr. Ramsay MacDonald at the opening of the world economic conference pointed out that during the period of depression the world's trade had decreased to one-third of what it was before the depression began. Was there anything this afternoon that would indicate there had been a world depression in trade? Was there anything from which one could conclude there was anything other than a passing wave of depression in some remote parts of the world with which Canada had no connection? The other day we had the authority for the statement that the world's trade had fallen to $25,000,000,000, although somewhat improved over what it was a few years ago, while previously it had been $69,000,000,000; therefore the fall has been from $69,000,000,000 to $25,000,000,000. The total of the world's commerce for the last twelve months, reckoned from November, was thirty-six per cent of what it was before the depression began. When I say to my fellow Canadians that their country has done just as well as if not a little better than the average in that our trade has remained at least thirty-six per cent of what it was before the depression, I speak but the simple truth. Yet during all of this afternoon there was not a single indication that the Dominion of Canada had been affected by the world depression. Is that fair, especially in view of the declaration of fairness and righteousness to which we have just listened? Is it exactly what we would expect from such a professor of righteousness? We would hardly expect the author of a new prayer to do a thing such as that. It is a little difficult to think that one who had played with the most solemn things of life by creating a new prayer, especially a member of the House of Commons, would be for one moment guilty of discussing the world's condition without reference to the fact that Canada also had been affected. It is an amazing story. I desire the House of Commons to know that we have passed through a depression and that this story of Canadian trade to which we have listened to-day is the story of all countries of the world, only that our country has been a little better off than most of them.

This afternoon and this evening I was reminded of those speeches to which we used to listen when hon. gentlemen opposite sat upon this side of the Speaker and references to the condition of the country were made by the opposition. We were told that this was the blue ruin tale of Tories. Do you recall them? Do you recall the wailing of Jeremiah which was passed on to the people of this country?

Mr. DUFF: The whisper of death.

Mr. BENNETT: The hon. gentleman should know of the whisper of death. Attacks have been made upon the accuracy of statistics which have been prepared without reference to governments by those who at Geneva and in meetings of the League of Nations have been referred to as the foremost in the science of statistics. Mr. Coats did not consult any member of the government in the preparation of his statistics. The figures of unemployment which were given and to which I shall refer to-morrow were arrived at from returns made by companies and organizations which reported to the government just as they reported in the days when the right hon. gentleman sat to the right of the Speaker. Do you think that by such references as these you improve conditions in Canada? Do you think you do not bring upon yourself condemnation? Do you think men will not say that your one stock in trade is an endeavour to tear down? Do you think it is not an appeal to prejudice and passion? Apart from creating a new prayer, apart from the attacks which have been made upon responsible officials, overlooking the fact that the country has passed through the direst years of which we have any record; apart from all this, tell me what purpose is served by endeavouring to paint, in blacker hues than they appear, the conditions of your native country? What purpose is there in endeavouring to make it appear that things are darker than they actually are? Why endeavour to discourage the hope and confidence of the

people? Why endeavour to tell a story which is blacker than the real conditions that prevail in the country?

Although in doing so I shall depart from my usual custom, I will take some little time to deal with every point that has been raised to-day, and I will defy the right hon. gentleman, or anyone else who may follow after him, to contend, in the light of the real facts in this country, as recorded by historians and statisticians not only in Canada but elsewhere, that this dominion has not made progress towards prosperity and a return to better days, greater than has been made in most other countries in the world. When I hear held up to high praise, the attitude taken by the president of the great republic to the south of us, whom I see exercising almost autocratic powers under authority from congress, I realize the puny powers which we possess under the Relief Act. I find that on one hand approval is given when someone else exercises authority, while on the other hand there is denunciation when we endeavour to exercise similar authority. If the exercise of executive authority under powers conferred by act of congress is a salutary and good thing for the nation in which such authority is exercised, why does it, when it is north of the forty-ninth parallel, cease to be good when similar actions have been taken by the executive in this country, with results that are comparable in every respect?

To those in this house who entertain other views I commend the reading of an article that appeared recently in the Saturday Evening Post, "North of the N.R.A.", written by Mr. Marcosson, whom I did not see and who did not consult me in any way with respect to it. There hon. gentlemen will find his record, after investigation, of the way in which this dominion, with ten and a half millions and with limited financial resources, cribbed, cabinned and confined financially, has been able to meet the storm of the depression as compared with a nation of one hundred and twenty-five millions south of the forty-ninth parallel, with the N.R.A. In order that ample opportunity may be afforded hon. gentlemen to study that record, I now move the adjournment of the debate.

On motion of Mr. Bennett the house adjourned at 10.45 p.m.

Tuesday, January 30, 1934

The house met at three o'clock.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That, it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1933.

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

Motion agreed to.

VANCOUVER HARBOUR COMMISSION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I asked a question yesterday concerning the Vancouver harbour commission which the minister said he might be in a better position to answer to-day. I should like his answer at this time.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, I am sorry to say that I have not the exact information before me. I have not yet, nor has my department, received any resignation from the Vancouver harbour commissioners. However I should like to inquire further.

WHEAT AGREEMENT

LIMITATION OF ACREAGE TO BE SOWN IN WESTERN CANADA

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I should like to ask the Prime Minister if a circular is being issued in regard to the wheat agreement, and if so whether or not a copy will be laid on the table?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I believe a pamphlet has been issued jointly between the government of the western provinces and the dominion, and is being circulated by the provinces. I shall inquire if there are any copies available, and if so will lay them on the table.

SURVEY OF NATIONAL PORTS

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to ask the Minis-

ter of Marine (Mr. Duranleau) whether or not it is the intention of the government to introduce a bill concerning harbours, along the lines recommended in the report of the Gibb commission?

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, the matter is under consideration.

Mr. CASGRAIN: And has been, for a long time.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, January 29, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, we listened with much interest to the observations made yesterday by the right hon. leader of the opposition (Mr. Mackenzie King), and his well deserved tributes to the mover and seconder of the address in reply to the speech from the throne. It is true that neither of them was a new member of the house. One of them is a new member of this parliament; the other is an older parliamentarian. The practice that has grown up and has now become traditional, by which a member of one of the two great races in this country moves the address one year and a member of the other race the next year, has been maintained both here and in another place during all these years, and I believe that it is conducive to a better understanding between the peoples that constitute this dominion. I should like to join if I might in congratulating the members who have spoken on the character of the addresses they have delivered. It was to be expected that one who had been so closely associated with the growth and development of the eastern townships and was familiar with the problems of those who till the soil, and also that one who had been so familiar with the development of the delta region near the Fraser river in British Columbia, would be able to speak with some authority, and these two members have well warranted our hopes and expectations in that regard.

When, however, I heard the right hon. leader of the opposition condole with the government over the results of the by-elections, I could not but reflect that the government as it stands to-day has exactly the majority that it had when this house was returned. It is true that there was a by-election in South Huron which was carried by the party that secured the seat at the general election. The Dutch have again taken Holland, and Huron still remains a Liberal constituency.

It is true that a Liberal continues to represent Yamaska. He was elected at the general election by one vote. It is also true that the votes polled at the general election amounted to 709 fewer than those polled at the by-election, when his majority was 84. Therefore on the vote that was polled in the general election he was defeated by 625 votes.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: That is very simple, and if in order to gain 83 votes it is necessary to poll 709, you can easily by a process of computation ascertain how long it will take the opposition to get into power.

It is also true that a Liberal was elected in the constituency of Mackenzie in which a Conservative has not been a candidate in this generation until the recent by-election, a constituency the then Liberal-Progressive member for which, elected at the last general election, voted in support of the amendment to the budget on the last occasion on which a budget was delivered when he was in this house.

It is equally true that so far as the county of Restigouche-Madawaska is concerned, and which has been referred to as an old Tory county, there never was a Conservative candidate elected in Restigouche since 1896; and in Madawaska, for reasons that were well understood, Mr. Cormier was elected in the last election, and the gentleman who has succeeded him with his nineteen years experience in the local legislature had those peculiar claims upon the people which brought him the majority that he received. I can only hope, Mr. Speaker, that these gentlemen will give the same measure of satisfactory service to their constituencies in the larger arena which apparently they gave in the legislatures when they were members of them.

Mr. VALLANCE: What about the Nova Scotia general election?

Mr. BENNETT: I might remind the house that a Conservative candidate was successful in the by-election of Three Rivers and that in the western province of Alberta a seat was carried by this government both of which constituencies were at the general election represented by members of the opposition. With two supporters that we did not have before, and the opposition having two supporters that they did not have before

we now stand on the very same footing as when this house was first returned and that too notwithstanding the fact that the fate of governments in conditions such as those through which we have passed has been that they have usually suffered defeat. But if one is to judge from the communications one receives and from the statements made by some of those who are within my vision at the moment, many thank God from time to time that this country is not under the guidance of the leader of the opposition in these trying times.

Mr. TOTZKE: What about—

Mr. BENNETT: If hon. gentlemen have anything to say, will they be good enough to stand up and say it at an appropriate time.

Mr. TOTZKE: I am sorry.

Mr. BENNETT: I was about to observe that the general opinion of the business people of this country is not that there should be a general election. The business people of this country are concerned with the great problems with which Canadians have grappled with such courage during the last few years, and I can say perfectly frankly that those who sit on this side of the house regard it indeed as having been a great pleasure and a proud privilege to have served Canada in these hours and days of stress, and if the electors are not grateful, and I have every reason to believe that they will be when the appropriate time comes, we are content because we have had the great privilege of serving the people of Canada.

Mr. VALLANCE: Is this a swan song?

Mr. BENNETT: Mr. Speaker, there always is some excuse for ignorance and rudeness, but just why we should have it consistently manifested by one particular individual in this house I do not know. Why the house should be afflicted with interruptions from one who failed to secure nomination in his own constituency I do not know.

The leader of the opposition yesterday spent considerable time in endeavouring to prove that the statements made in the speech from the throne with respect to trade and revenue and employment were untrue; in fact, he used that word. Just why one charged with the responsibility of leading a party in opposition to the government should spend time in endeavouring to disprove what is known to almost every man in Canada is beyond my understanding.

On the question of revenue, for instance, can there be any doubt as to what the figures indicate? In July of last year this country's revenues were over $15,000,000 less than they were for the corresponding period the previous year. In the interim of six months we have not only picked up that fall in the revenues but have increased our revenues by over $5,000,000 beyond what they were for the same period last year. So we have that improvement which he who runs may read and he who sees may understand. There it is written on the public records of the country. What purpose is there in endeavouring to have that appear to be untrue which is true? What purpose is served by endeavouring to belittle the efforts of the Canadian people and their courage and persistence in adversity to achieve success and win through to prosperity? What purpose was served by it I leave to the good judgment of the people of this country.

On the question of expanding trade, there are the figures which speak for themselves. They show a continuous increase in trade since May of 1933. That may be read by anyone who reads the public statistics of the country. That cannot have been manufactured; the figures are there, and they speak for themselves. Take these indices, if you will, showing the gains that have been made since early in 1933:

Especially Significant Signs Of Improvement
Gains since early in 1933

	Per cent
Commodity prices	8.5
Security prices	63.3
Farm prices (wholesale)	25.1
Increased employment	16.9
Contracts awarded	72.2
Industrial production	39.7
Mining production	27.0
Revenue carloadings	4.3
Domestic exports	13.1

That is the position as it was at the end of the year or thereabouts. These are matters that anyone can see who desires to see. I repeat, what purpose is there in endeavouring to make it appear abroad and elsewhere that things are different from what they are? Everyone has access to these very figures and can study these very reports. The same condition exists in the United States as was indicated by Mr. Marcosson in his recent article, "North of the N.R.A." What purpose is there in endeavouring to mislead when the facts

can be ascertained from the public records of the country? In so far as trade is concerned, the figures are checked with the reports issued by the countries to which our goods go and from which we receive goods. They are verified from time to time. If the right hon. gentleman desires to cast aspersions upon the accuracy of the figures furnished by the Bureau of Statistics, he may continue to do so, but I repeat: What purpose can be served? I assert to this house that if the committee on public accounts, or any other committee of this house, desires so to do, they can summon before them every employee of the bureau of statistics. It will be found that not a single suggestion has been made by any minister or anyone connected with the ministry as to how the records were to be kept or as to how the reports were to be prepared. They have made them with a consciousness of their obligation and duty towards those for whom they are prepared, namely, the people of this dominion. These reports have been prepared without fear, favour or affection and made public to those who desire to secure them.

I should like to give the figures showing the increase in our industrial production as compared with the increases in other countries. These figures show the gains in the different countries for the last twelve months, and are as follows:

1928=100 Industrial production—	Month	1932	1933	Increase
Canada	December	57.5	72.2	25.6
United States	November	58.6	65.8	12.3
United Kingdom	November	90.2	97.3	7.9
France	October	74.8	85.0	13.6
Germany	October	61.0	71.2	16.9

These figures show that in point of fact Canada leads them all and in some cases the increase is double that which has occurred in other countries. The production of steel has always been considered a matter of importance and the following figures show the increase in Canada in 1933 over 1932 as compared with the increases which have occurred in other countries:

Steel production (thousand metric tons)—	Month	1932	1933	Increase
Canada	December	31	50	61.3
United States	December	857	1,849	115.8
United Kingdom	October	447	679	51.9
France	October	468	527	12.6
Germany	October	522	715	37.0

While the increase in Canada has not been as large as that in the United States, where it reached 115·8 per cent, it is higher than the increases in the United Kingdom, France and Germany.

I shall deal next with wholesale prices. We have been making an honest endeavour to secure a higher level of wholesale prices on this continent, and the efforts put forward by the United States are known to all. The changes which have taken place in the index figures of wholesale prices are as follows:

Wholesale prices—		1932	1933	Increase	Decrease
Canada—1926=100	Dec.	64.0	69.0	7.8	
United States—1926=100	Nov.	63.9	71.2	11.4	
United Kingdom—1913=100	Nov.	101.1	102.8	1.7	
France (gold)—1914=100	Nov.	391	383		2.0
Germany—1913=100	Nov.	93.9	96.0	2.2	

It will be noted that there is a decrease in the case of France and that the years upon which the base index figure is computed varies in the case of the different countries.

I recall hearing the leader of the opposition refer in a budget debate to the fact that the price of common stocks was a fair indication of the improvement in the condition of the country, it being the value of equities in properties. The increases which have occurred in the prices of common stocks in Canada and other countries are as follows:

Common stocks—		1932	1933	Increase	Decrease
Canada—1926=100	Dec.	58.4	107.6	84.2	
United States—1926=100	Dec.	44.8	78.8	75.9	
United Kingdom—1924=100	Nov.	92	114	23.9	
France—1913=100	Nov.	235	226		3.8
Germany—1924-26=100	Oct.	54.2	60.2	11.1	

It will be noted again that a decrease has occurred in the case of France. Here again I think we have some reason to realize that our country has been making steady progress forward.

The next figures I shall give show the increases which have occurred in Canada in the production of different commodities. A very substantial increase has occurred in the production of newsprint which gives employment to large numbers of men, both directly and indirectly. There are large numbers employed in the woods in preparing the pulpwood in order that it may come down in the spring to the mills. There has been a considerable increase in the export of planks and boards, as well as in copper and nickel. Carloadings have always been regarded as a matter of importance, and these show a very substantial increase. I have frequently heard reference made in the house to bank debits. These are the cheques which pass through the banks from time to time. There has been a substantial increase in this item, as well as in the awarding of contracts. The detailed figures are as follows:

Improvement Figures based on Actual Quantities

No Adjustment for Seasonal Variations

—		February	November	Increase	December	Increase
Flour production	barrels	844,899	1,650,557 (October)	95·4	1,827,340 (November)	116·3
Cotton imports	pounds	6,025,511	19,057,844	216·3	19,803,434	228·7
Newsprint production	tons	125,610	193,718	54·2	175,304	39·6
Planks and boards	exported board ft.	37,714,000	102,882,000	172·8	99,393,000	163·5
Steel production	long tons	12,374	43,099	248·3	49,557	300·5
Copper exports	pounds	1,326,200 (January)	4,498,400	239·2	1,998,400	150·7
Nickel exports	pounds	3,079,000	8,581,100	178·7	6,424,800	108·7
Carloadings	number	133,147	201,365	51·2	157,581	18·4
Bank debits	dollars	1,830,276,963	2,837,469,562	55·0	2,491,921,510	36·1
Contracts awarded	dollars	3,149,300	10,637,200	237·8	8,207,600	160·6

The next figures I shall give to the house refer to the wholesale prices of Canadian farm products. These figures are given by months and provide a comparison between 1933 and 1932, the index figure of 100 being for the year 1926. They are:

—	1932			1933		
	Vegetable	Animal	Total	Vegetable	Animal	Total
January	42·7	68·5	52·3	35·1	57·9	43·6
February	44·3	66·1	52·5	36·0	54·7	43·0
March	45·1	65·2	52·6	38·0	56·0	44·7
April	45·4	61·7	51·5	41·1	56·4	46·8
May	45·5	58·0	50·2	46·9	58·4	51·2
June	41·5	57·8	47·6	49·4	57·9	52·6
July	42·6	57·8	48·3	60·8	59·0	60·1
August	42·3	58·5	48·4	54·9	60·5	57·0
September	39·5	60·4	47·3	49·5	63·4	54·7
October	36·8	58·6	45·0	44·6	62·8	51·4
November	36·3	57·2	44·1	46·7	65·8	53·8
December	33·4	58·1	42·6	45·3	66·6	53·3
Yearly average	41·1	60·7	48·4	45·7	60·0	51·0

If we take the production of raw material and of partly manufactured goods, we find the same story of a steady and continuous increase in the volume, in the value and in the activity of those engaged in the production of these goods. Of course, I realize the soundness of the criticism which has been made that we have been looking forward to better days but that we have been disappointed. That is quite true, but so has all the world. As I indicated to this house upon one occasion, Sir Arthur Salter pointed out that the world had about gotten back to prewar conditions when the unprecedented

speculation which was carried on on a scale never before heard of brought about disastrous consequences with the result that the second recovery became much more difficult than the first. But allowing for all that, this government, in the discharge of its responsibilities, has never lost courage but has always remained confident and retained its faith and belief that in the end we will succeed.

Before leaving these statistics which I have given I should like to give the house some further figures which show the percentage of gains since early in 1933 with seasonal adjustments, based on an index figure of 100 for 1926. These are as follows:

Indexes with Seasonal Adjustments (1926=100), showing Percentage Gains since early in 1933

Index Numbers	Feb.	Nov.	Gain allowing for Seasonal Variation	Dec.	Gain allowing for Seasonal Variation
Physical volume of business..... (Includes industrial production and distribution.)	67·0	85·5	27·6	86·2	28·7
Industrial production.....	60·9	83·9	37·8	85·1	39·7
Flour production.....	57·8	74·7 (Oct.)	29·2	98·0 (Nov.)	69·6
Cotton imports.....	53·8	137·5	155·6	135·8	152·4
Newsprint production.....	85·9	122·3	42·4	117·2	36·4
Export of planks and boards.....	29·4	51·8	76·2	63·2	115·0
Mining.....	80·5 (Jan.)	99·2	23·2	102·2	27·0
Steel production.....	19·8	68·1	243·9	82·9	318·7
Copper exports.....	15·3 (Jan.)	51·6	237·3	21·1	37·9
Nickel exports.....	67·1 (Jan.)	126·4	88·4	112·8	68·1
Electric power output.....	136·1	158·1	16·2	156·5	15·0
Carloadings.....	57·9	62·9	8·6	60·4	4·3
Bank debits.....	85·2 (Feb.)	94·6	11·1	86·3	1·3
Contracts awarded.....	22·7	45·7	101·3	39·1	72·2
Commodity prices.....	63·6	68·7	8·0	69·0	8·5
Security prices.....	46·6	78·8	69·1	76·1	63·3
Cost of living.....	77·0 (May)	78·1	1·4	78·4	1·8
Employment—					
Unadjusted.....	77·0	91·8 (Dec.)	18·6	88·6 (Jan. 1)	15·1
Adjusted seasonally.....	81·3	90·9 (Dec.)	8·7	95·0 "	16·9
Agricultural marketings.....	56·1 (Jan.)	41·8	−25·5	30·7	−45·3
Wheat prices.....	45·8	63·7	39·1	60·3	31·7

If we had given way to panic or to pessimism it would have been reflected at once upon the minds of the electorate. Sometimes I think the task has been difficult and the way hard but we have never faltered in the faith and confidence that we have had that in the end this country would win through to prosperity. The facts I have now presented to the house are some warrant at least for the confident faith we have had in our ability to do so. I will not take time to indicate at greater length further factors to which reference might be made, but I shall deal at once with the problem of unemployment and the references made to the matter by the leader of the opposition yesterday.

What are the facts? The facts are that the statistical department prepares these reports from time to time without reference to the government, as I have said, and that in the preparation of these reports their endeavour has been not to mislead, as has been suggested. And for any responsible member of this house, much less the leader of the opposition, to suggest that Mr. Coats would be guilty of a manipulation of these figures is something which, I really do submit, is not quite fair. The language used yesterday is language which, I think, should not have been used. The figures as presented, says the leader of the opposition, represent the prosperity of the country, not a prosperity such as is borne out by the facts but a prosperity borne out by the manipulation of statistics. That appears at the top of page 30. Later he says:

> . . . I think he ought to look very carefully and see that the right thing is done and that there is no further possibility of the manipulation of figures as is the case in the form in which they are given here.

Obviously, I have not had time to go back over all the reports that have been made, but I had the Minister of Trade and Commerce (Mr. Stevens) ask for a report; and because Hansard has not been published a sufficient length of time to enable a detailed

report to be made on the basis of the criticism that has been made, though such a report will be available later, all I can say at the moment is that the report which I have now received reads thus. The leader of the opposition said:

The index figure for the calendar year 1933 was lower than it has been at any time since 1930. Yet this is described as being evidence of increasing employment.

In the statement made by the bureau these words appear:

In the first few months of the year (1933) activity reached its lowest level in recent years, but from April 1 the general trend was steadily upward, the period of improvement extending over eight months.

That is a quotation from the very report to which the right hon. gentleman referred, and the statement I have in my hand reads, in this regard:

The fact that the 1933 average was lower than the 1932 average was due to the first four months; the last five months showed marked improvement over the corresponding months of 1932. The chart from the bureau's report illustrates this.

That chart I hold in my hand; it was available for the right hon. gentleman, as well as for any other hon. member, and it indicates exactly what the facts are in this connection.

Now we come to another matter, namely, the reporting firms. In the United States the Labour Department makes up its figures from industrial reporting firms—trade union firms, if you will, though not all of them are members of the trade unions but those engaged in industrial activities. The statement I have here reads:

It has always been the policy of the Bureau of Statistics to secure, as far as possible, reports from all firms employing over fifteen persons. The number of these firms has increased, but the bureau in calculating its indexes allows for this by relating the number of employees reported each month to the number reported at the base period of 1926. Thus its indexes do not reflect the change in the number of firms.

The proper relation is established by statistical rules that are applicable here as elsewhere in order that there may be no misleading and that the figures may be comparable and not noncomparable, as some have suggested. When it was stated yesterday that the number of firms reporting had increased, perhaps it will be in the memory of some of those in this chamber to-day that, despite all the difficulties through which we have passed since 1930, there has been increased industrial activity, notably in the Toronto area, and the number of firms that have reported has increased substantially over preceding years. That in itself indicates that, notwithstanding the difficulties we have had to meet, our industrial activity has not languished, and the number of firms employing fifteen or more has been increased. To quote again from the statement I have in my hand:

The bureau's index does not go below firms of fifteen employees, but the great majority of the firms reporting to it are firms employing between fifteen and fifty. It is believed to be very representative.

It is true that, as indicated by the report, with respect to those who are engaged in what might be called unemployment works these were included in the figures, and special reference was made to them. The right hon. gentleman said that these figures were entirely illusory. The department say that this is what they have done:

The employment statistics of the bureau are issued by exactly the same staff and by exactly the same methods as they have been issued monthly during the past eleven years, or since their inception by the bureau. No one outside the bureau sees these statistics until they are released or has any say whatsoever in their content or purport. In fact, this applies to the staff immediately engaged in their primary compilation, whose results are never altered in the slightest degree. It would be quite futile for the bureau, even if it were so disposed, to "manipulate" statistics of employment, as such manipulation would at once be belied by numerous other current statistical records. For example, the records of car loadings, bank debits, trade, numerous monthly production processes—all confirm and explain the movement of the bureau's employment index. The only current record of unemployment in Canada is that of the Department of Labour, based on reports from trade unions. This showed a marked decline in unemployment between March, 1933, and October, 1933, with a slight seasonal increase in November. The November index was 20.4 per cent compared with 25.1 per cent in March last and with 22.8 per cent in November, 1932.

There you have the trade union report made to the Department of Labour, and as regards those employed in industry and other branches of activity in this country, the report shows that there has been a steady decline in unemployment from March 1933 to October 1933. In the contentions put forward yesterday by the right hon. gentleman, this statement appears:

The bureau does not distinguish between employment arising out of moneys paid out of the public treasury for relief, and employment as provided by private firms.

The bureau's comment is as follows:

The bureau's index is an index of the volume of employment and is clearly and categorically described as such in each and every issue of

the figures. It would be absolutely impossible for the bureau to find out monthly wherein the employment provided had its financial source. The record does, however, clearly show the trend of employment from month to month in a very large number of specified industries whose relation to relief is nil. Highway construction is only one of over 60 industrial classifications shown. Such highway construction has been included in the record ever since 1921, and has presumably always been paid for by taxation of one kind or another. The bureau's index of employment is not to be taken as an index of unemployment except in the most general way, and even this general application has never been made by the bureau.

As a matter of general information, we know that there are about 14,000 employed in camps by the Department of National Defence, and about 19,000 by the Ontario Department of Northern Development, while doubtless there are a number employed by other provinces and by municipalities. The aggregate, however, would appear to be under 50,000 included in the bureau's figures out of the total increase of 146,000 between April 1 and December 1. For example, in manufacturing alone, which cannot be associated with relief, the following increases in payrolls as between April 1 and December 1 are shown.

This is an amazing figure which has been published and sent abroad showing the increase in the pay-rolls between, as I have said, April 1 and December 1 of last year.

Mr. DUFF: May I ask the Prime Minister who is responsible for what he has read?

Mr. BENNETT: It is from the Bureau of Statistics.

Mr. DUFF: Who is responsible for it—the minister or Mr. Coats?

Mr. BENNETT: The minister, so far as I know, has not seen it.

Mr. DUFF: Who is responsible for it?

Mr. BENNETT: Whether it was written by the director, Mr. Coats, himself, or by one of his assistants, I am not in a position to say, but it comes from the bureau and the bureau is responsible.

Mr. DUFF: The Prime Minister who is reading it should be in a position to tell us who wrote it.

Mr. BENNETT: I say that it came from the Bureau of Statistics. The increase in the monthly pay-rolls of the reporting firms from April 1 to December 1, 1933, is as follows:

Economic areas—	Increase
Maritimes	10,500
Quebec	52,000
Ontario	56,900
Prairies	13,600
British Columbia	13,900
Total	146,900

And on the average of 1926 being taken as equal to 100, on April 1 of last year the figure stood at 76 per cent and on December 1 at 91·8 per cent, an increase, as will be observed, of 20·8 per cent. These are facts as they have been gathered by the bureau and if they are disputed I certainly can only say that an opportunity can be afforded to the house and to every member of it to bring before the appropriate committee the gentlemen who prepared these figures.

Mr. DUFF: Who are the gentlemen who prepared those figures?

Mr. BENNETT: The manufacturing industry shows an increase of 41,789 in the same period and they are divided amongst the following:

Animal products—edible.
Fur and products.
Leather and products.
Lumber and products.
Musical instruments.
Plant products—edible.
Pulp and paper products.
Rubber products.
Textile products.
Plant products, not elsewhere specified.
Wood distillates and extracts.
Chemicals and allied products.
Clay, glass and stone products.
Electric current.
Electrical apparatus.
Iron and steel products.
Non-ferrous metal products.
Non-metallic mineral products.
Miscellaneous.

Then there are:

Logging.
Mining.
Communications.
Transportation.
Construction and maintenance.
Services.
Trade.

This shows in respect of the firms reporting monthly to the Dominion Bureau of Statistics a total increase of 146,900 persons during the period to which I have referred. The increases for the months during the period are shown in the appropriate columns. The figures teach their own lesson.

Considering further the matter of Canadian employment I have before me a compilation issued by the Dominion Bureau of Statistics which shows that 8,061 firms of classified industries reporting in December, 1932, had 765,441 persons employed; 8,428 similar firms reporting in December, 1933, had 850,486 persons employed, an estimated increase in respect of reporting firms of 10·3 per cent. In the face of these facts I submit that Canadians have some reason to feel a sense of pride rather than of pessimism with respect to their country and with the record which

they thus establish. I think it is due to those who have been assailed in this house that an early opportunity should be taken to determine the method by which these computations have been made and to demonstrate the soundness of what has been done. That is the position. I do not think it is desirable to take up the time of the house in reading into the record columns of figures one after the other dealing with these matters, because no good purpose would be served by doing so.

In addition to this we have the retail sales which show a marked improvement. I wonder whether there is any member in this chamber who does not realize that every merchant in all the larger communities of this country has said repeatedly that last December was the best month he had had for years. I know one merchant in this city said that it was the best he had had for six years in cash business. I know others who said it was the best they had had for four or five years and others that it was the best they had had for three years, but they have been unanimous in their statement that the retail sales during the month of December have exceeded those of any December in recent years. I therefore conclude that if ever there was justification for stating that there has been an improvement in trade, an expansion in revenue and an increase in employment, it has been in this house to-day. I invite the house to give as close and studious attention as possible to the facts for the purpose of ascertaining whether the bureau upon which we have relied during all these years is the bureau to which we can look with confidence or whether they have manipulated figures, and if so for what purpose I know not, for without direction from someone what purpose would there be in doing this, and without direction from some person, why should they desire to do it? I recall an occasion when the right hon. gentleman waxed somewhat eloquent and angry because attacks were made upon those who could not answer for themselves. It is not in my judgment fitting that those occupying important positions in a department of such transcendent importance to the nation should be attacked without at least some opportunity being afforded to those concerned in making their defence. As there must always be governmental responsibility whether the ministry knows aught of these things or not, I for my part have the greatest satisfaction and pride in saying that I believed the League of Nations was right when it said that our Bureau of Statistics was one of the best in all the world and that the information supplied had been found to be accurate and reliable in every particular and was a credit to this dominion. I still hold that view.

The next point to which the right hon. gentleman directed considerable attention was the trade agreements. How sad a thing it is for him to contemplate those agreements! I suspect that every time he stands in his place and speaks about them he thinks of his efforts in 1923. Methinks I can hear him still pleading his cause in England to a deaf administration that the very things that have been done should be done and that we should have for our exports the preferences we have now received. All the members of the house should take the time to read the record of the economic conference of 1923. I commend it to them. I have read some parts of it to this house on various occasions. Why should the right hon. gentlemen decry so vigorously agreements that have brought such a measure of additional trade to this country? And not content with doing it at home, we find it abroad also. I hold in my hand the Glasgow Herald for February 1, 1933, and the candidate representing the Liberal party, Mr. Kier, made a speech at the close of the campaign, being supported by Major Gwilym Lloyd George, M.P., and other speakers. He is reported to have said:

> —he could now safely say that no entry made by any candidate into any contest had been more amply justified judging by the enthusiasm and support his candidature had provoked. His supporters and himself were late starters, but he believed they were fast finishers.

Then he proceeds to say that,

> —he talked on the transatlantic telephone last night to Mr. Mackenzie King, the leader of the Canadian Liberal party, who told him of the anxiety with which Canadian Liberals were waiting the result of the East Fife by-election. Mr. Mackenzie King reminded him of two by-elections held recently in Canada in safe Tory seats which resulted in the return of two Liberals pledged to oppose the Ottawa agreements, which had resulted in increasing the world's tariffs, and pledged to fight for an immediate reduction of Canadian tariffs. He expressed the hope that everywhere in Great Britain there would be encouraged progressive movements designed to promote freer trade and the removal of trade restrictions.

Mr. MACKENZIE KING: I am sure my right hon. friend will permit me to remind him that at the time of the election to which he refers a dispatch appeared in the press to the effect that I had communicated over the long distance telephone with the gentleman he mentioned, and that I immediately denied in this house the accuracy of that report. I stated

that I had been rung up by a gentleman from somewhere in Scotland and asked certain questions, and that I had replied to him I did not think it was proper for me even to discuss a matter which related to the domestic affairs of Great Britain, and that I had nothing to say. I said nothing. I made that statement in the house last year, and I am surprised that my right hon. friend does not remember it.

Mr. BENNETT: I certainly accept the statement of the right hon. gentleman. But apparently Liberalism is as unreliable in England as it is here.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: It has been said that as a result of the agreements entered into in Ottawa in 1932 the rest of the world would retaliate against Canada and against the empire. There is of course nothing to warrant any such statement. During the entire period of time that the Liberals were in office after the war they were unable to conclude any agreement at all with Germany, and it was not until after the Ottawa pacts were signed that an agreement was made with Germany, which as I happen to know and as hon. members opposite know, could not be brought about by the late Hon. Mr. Robb or anyone else. So that as far as Germany at least is concerned, one of the large markets of the world, we did make an agreement with them. There was a contract or agreement with France, but under that agreement France three times within a few months, and during the regime of hon. gentlemen opposite, raised the tariff against Canadian wheat. After the Ottawa agreements we negotiated a new treaty with France. So you have at least those two great trading nations with which Canada made trade agreements after the Ottawa agreements. And the agreements that were in force with other countries have not been abrogated. The twenty odd most-favoured-nation clause agreements that were in force, and have been for years, these contracts, treaties and agreements still stand. No country has asked that they be abrogated, no complaint has been made that would indicate reprisals as possible or likely. And as I shall presently show, we have extended our trade with all these nations.

It is desirable to keep in mind the extent to which we as a country have become dependent upon a stable market. I wonder if any member of this house has taken the trouble to realize what it means to have unstable markets for the exports of Canada. Has this house forgotten the observations made by the right hon. gentleman at the close of the budget of 1929 with respect to trade with the United States of America? Have we forgotten the Hawley-Smoot tariff of that day, and his speech on that? Have we forgotten how he said that it is not desirable that we should do anything to protect ourselves, lest we arouse their anger still more and become the victims of it?

Mr. MACKENZIE KING: I never made a statement of the kind.

Mr. BENNETT: I think the word was "provoke." I have it among my papers, but it would disturb the sequence of my observations to turn to it now; I will take it when I come to it. "Provocative" I think was the exact word. At any rate it indicated a measure of regret that this country could not protect itself lest it might offend someone.

Mr. MACKENZIE KING: That is not a correct interpretation, nor fair comment on what appears in the text.

Mr. BENNETT: It was also said that even our British preference should not be increased at this time for the same reason. Now, sir, I ask for any evidence that the world has resented the Ottawa pacts.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: If there is any we have a right to ask for it. Mere statements do not add to our knowledge. Name the countries, give us some indication of them.

Mr. DUFF: There was not anything in them.

Mr. BENNETT: All I can say, Mr. Speaker, is that perhaps the hon. member for Hants-Kings (Mr. Ilsley) may be able to give an answer to that with respect to apples.

Mr. DUFF: Three cents a barrel.

Mr. BENNETT: If the hon. gentleman desires to make a speech his opportunity will come later.

Mr. DUFF: But my right hon. friend asked me a question and I answered.

Mr. BENNETT: The hon. gentleman has a habit of thinking any question is addressed to him that is addressed to the other side. It is a mistake.

May I point out that there has been a steady increase in trade between the countries comprising the British empire; that we have had an assured and sheltered market for our products, that in certain markets where there was uncertainty before there is now certainty, and we know that for a period of three years, five years from 1932, we have that market with respect to those products. We know that if material comes from a foreign country

to Great Britain it has to pay a duty of ten to twenty per cent, while Canadian products and products from other parts of the empire enter free.

Mr. DUFF: Did they not always enter free? Was there ever a duty against Canadian goods entering Great Britain?

Mr. SPEAKER: Order.

Mr. BENNETT: I do not know whether it is desirable to take up the time of this house to give the figures at length as to what has transpired in connection with empire trade. It would perhaps take too long. It is sufficient for my purpose to say that not only has our trade increased with Great Britain, Australia, New Zealand and South Africa, by reason of the agreements that were made, and that were subsequently modified and extended, as this house knows, by amending agreements, in the case of South Africa, but our trade with foreign countries has increased, our trade with France, Germany, Japan and notably with the countries of South America, with Peru, Brazil, and other countries on that continent. So that the entire trade of this country has steadily increased during the last few months, or since we entered into these agreements.

Now let us take a few figures with respect to the general trade situation, in order that there may be no misunderstanding. In the past calendar year we have increased our export trade. For the calendar year 1933 our imports were valued at $401,254,311, as compared with $452,614,257, for last year, representing a decline of 11·3 per cent. In those figures I am referring to imports, and hon. members who are familiar with international exchanges know what that must have meant to Canada. Those who know what international balances mean, and understand the necessity for building up balances understand just what is involved by the reduction of our imports and the increase of exports. Every thoughtful man who has to do with banking and commerce knows exactly what that means. This decrease was, however, accounted for by the decrease in imports from non-British countries, which fell from $324,556,642 to $268,380,832. The imports from British countries amounted to $132,873,479 as compared with $128,057,615 in 1932, an increase of 3·8 per cent. Thus, while we have decreased our imports from the world at large we have increased our imports from British countries. And when you reckon just what that means in terms of stable markets, both for them and for us, this house may have some appreciation and understanding of the value which attaches to that fact.

But there is something more than that; there is something more. The principal fall in our external trade has been with the United States of America, and the reason for it—if the reasoning of the right hon. gentleman is to be applied at all—is to be found in what he said yesterday. They have raised almost prohibitive tariffs against the world. They have declined to permit other countries to find markets in their country, and they expect to find markets in ours. Let me at this time give a short statement with respect to the proportion of total imports from British and foreign countries. From the United Kingdom in 1932 we bought 20·7 per cent of our needs. In 1933 we bought 24·4 per cent. From the British Empire we bought 28·3 per cent in 1932 and in 1933, 33·1 per cent. From the United States we bought 58·2 per cent in 1932 and 54·2 per cent in 1933. So we have a continuous improvement in our external trade, so far as imports from the British Empire are concerned,—that is, our trade with British countries. I ask this House of Commons, and I ask the country as to whether or not a sure and stable market of the character indicated is not the best assurance that Canada can have for any permanent recovery from this depression.

Let us now turn to exports. Canada's domestic exports for the calendar year 1933 amounted to $531,474,179, as compared with $493,808,841 for the calendar year 1932. That is an increase over last year of $37,665,338 or 7·6 per cent. That increase is almost wholly accounted for by the increase in Canada's exports to empire countries which increased from $217,156,953 to $254,899,205, or an increase of 17·4 per cent. The relative proportion of our export trade to British and foreign countries was as follows: To the United Kingdom, in 1932, 36·1 per cent; in 1933, 39·6 per cent; to the British Empire, 44 per cent in 1932 and 48 per cent in 1933; to the United States in 1932, 32·9 per cent, and in 1933, 32·1 per cent, and to foreign countries taken together in 1932, 56·0 per cent, and in 1933, 52·0 per cent.

Therefore, as I have said, as a result of agreements which were entered into in 1932 Canada has been able to expand her exports and to increase her imports from empire countries, resulting in a nearer approach to equilibrium between exports and imports in connection with British countries. In other words, the members of the family have been buying from one another, with marked satis-

faction to every member of it, and an improved financial condition for everyone within the family circle. When one remembers that for the last thirty-five years there has been a preference by Canada and that it is only during the last two years that preference has begun to operate, so far as Great Britain is concerned, one should recognize that it takes time for preferential trade to improve.

The statement was made in this house that it was to be expected that Canada's exporting business among the countries of the world would fall off. It is pointed out in the speech from the throne that Canada has attained again to fifth position amongst the exporting countries of the world. Is that, or is it not something of which we might well be proud? We met with difficulties, as did all the world. We fell to sixth position and to the seventh position. According to the report from the League of Nations we have gone on, and while our position has been challenged on one occasion by Japan, which country went into fifth place, Japan is now sixth, and we are again fifth.

The figures are very interesting. They indicate something which in fairness I believe this house should consider. When I heard yesterday a comparison of the figures concerning trade for the years 1926, 1927, 1928 and 1929 with those for 1931, 1932 and 1933 I wondered if my ears were not deceiving me, because everyone knows when you compare figures of those years with the figures of to-day, for every nation of the world, you find practically the same position. And that Canada has been able to maintain fifth position amongst the exporting countries, exceeded only by the United Kingdom, the United States, France and Germany, is something which must indicate at once that we, while in the midst of this great depression, have been able to do more than maintain our position among the trading nations of the world. All one has to do is to compare the figures of other nations with our own figures to see how nearly side by side we marched. And, although in the race we were passed once, as I have said, we again find ourselves occupying fifth position among the exporting countries.

Let us again consider France. We find in connection with that country our trade is steadily increasing. I have the figures, but I shall not record them because it would take too long to do so. Then, let us consider the New Zealand treaty. On the very day that the present government took office the New Zealand treaty fell. The very day we took office was the day upon which the New Zealand treaty had been terminated by notice given by the late government. It has been said that on the very day the Prime Minister of New Zealand landed in this city he found that we had placed a duty against New Zealand butter higher than that which had theretofore prevailed. We did so for the agriculturists of Canada, the dairymen of this country. We said, if we were placed in office, we would make tariffs fight for them and tariffs have fought for them. I repeat, our tariffs have fought for them, I will go further; look at the dairy industry of Canada as it stood when we took office and as it stands to-day. So far as New Zealand is concerned, of course we were faced with a difficult problem. New Zealand's largest export was butter. They desired to find a place in our market. We told them that we could not afford to give a preference to any country which would put our own producers at an unfair disadvantage. We said we could not afford to prefer anyone over Canadians. We told them they must adjust their arrangements with us, and that we would endeavour to adjust ours with them. We said that if we had to import butter we would go to the Antipodes, to New Zealand and Australia, and give them the first opportunity to sell in this market such butter as we might require. I am bound to say that the gentlemen from New Zealand and Australia took a reasonable view of the situation. They saw our country; they saw our herds. They knew what we were doing. They learned about our difficulties in connection with carrying on the dairy industry; they learned that we had to keep our cattle in barns and feed them, and were able to draw a comparison between this and their country where sheds and barns are unnecessary. Knowing these facts the Minister of Trade and Commerce and the government were able to negotiate arrangements with them that were satisfactory and have worked out satisfactorily. Now and then some effort is made on the part of a too enterprising Canadian to buy butter from New Zealand in the hope of making a profit from its sale in this country, but when he is asked in view of existing conditions in this country, and they have been asked, to stay his hand and not place that butter on the market until our own supply is exhausted, with one accord these men have had a sense of patriotism and love of this country that induced them to agree to hold any butter that they had imported until it might be required. They too appreciated the necessity and desirability of relying upon

our own efforts in the establishment of our own Canadian industries. I shall not dwell further upon that.

There is one matter to which I think I am warranted in referring, which has been largely affected by treaties, and that is the lumber business of this country. I suppose that it is within the knowledge of members of this house that British Columbia exported more lumber last year than in any other year in its history. The largest lumbering trade that goes on in the world is transacted from that province.

Mr. MUNN: Exported to Great Britain.

Mr. BENNETT: Exported to all the world, to Great Britain and to Australia, New Zealand, China and all the world. I have under my hand the figures of the countries to which that lumber goes and the amounts, and it is amazing the number of countries to which British Columbia lumber is sent. It is not simply to one or two or three or four countries. If I might mention individuals, the gentleman in charge of that particular business has built up a market in almost every country in the world. British Columbia lumber is going to all the seven seas.

Mr. DUFF: Did it not always go to the seven seas?

Mr. BENNETT: No, it only went to four. May I direct the attention of the hon. member for North Vancouver (Mr. Munn) to the fact that the greatest exports of lumber which his province has enjoyed in all its history took place during the past year, and largely that has been due to the exports to Great Britain which have been ensured by reason of the fact that our lumber goes in there free against its competitors who have to pay from ten to twenty per cent of the value to get their lumber into the ports of England. I have the figures before me of the exports from British Columbia, but I shall not take time to give them.

I think it may fairly be said, then, that we have abundantly justified the bargains which we made with respect to trade. We have enhanced and increased our business not only with the British Empire but with the countries of the world.

But the right hon. leader of the opposition asked me yesterday, very pointedly, why did we not negotiate a reciprocity agreement with the United States?

Mr. DUFF: Hear, hear.

Mr. BENNETT: I was surprised to hear the right hon. gentleman use the word reciprocity, because reciprocity might be a very difficult thing to accomplish with any country in the present disturbed conditions of the world. I shall not do more than ask two or three questions with respect to that. I wonder where the right hon. gentleman gets his information that the United States desires to negotiate a treaty with Canada. All I can say is that I do not believe the government of the United States has been communicating with him to that effect, and they certainly have not been with us. It may be that his former minister to Washington among his activities has given him information to that effect, but that I think is doubtful.

I read to this house last year a joint statement prepared by the President of the United States and myself, and I know of no reason why the facts stated in that memorandum are not as accurate to-day as they were then. That is all I shall say with respect to that.

Mr. DUFF: If the mountain won't come to Mahomet why does not Mahomet go to the mountain?

Mr. BENNETT: There might be some little difference of opinion in some cases as to which constituted Mahomet, but if the hon. gentleman was present no such difficulty would arise.

I find that the right hon. leader of the opposition was in power in this country for many years. Did he negotiate a treaty with the United States?

Mr. DUFF: There was a Tory government then in the United States.

Mr. BENNETT: I find that on April 9, 1929, at page 1403 of Hansard the right hon. gentleman thus expressed himself:

> This year differs from other years in one essential particular. This year, when the government was preparing its budget, it had before it the knowledge which is common throughout the continent, that a neighbouring country was about to make certain changes in its tariff, changes which may materially affect trade between the two countries. Trade between this country and the United States is, I believe, the greatest trade that exists between any two countries in the world, and naturally we are interested in what the citizens of the republic do with respect to matters which may affect that trade. We are interested as well in all that affects the industrial conditions of that country because, as we know from experience, matters are so inter-related in economic affairs that it is seldom that one portion of this continent is appreciably affected by depression or the opposite without other parts being also affected. We have the word of those in authority in the neighbouring republic that there are certain measures to be

introduced at a special session of congress now about to assemble. An important measure we are led to believe, is a measure relating to farm relief. Another measure relates to "limited adjustments of the tariff"; that I think is the expression which has been officially used. Having that knowledge before us, I ask hon. gentlemen irrespective of party: In the condition of prosperity which Canada is to-day enjoying would it be desirable on the part of the administration to take any action with respect to the tariff in Canada at the present time which by those across the line who may be interested in seeking to raise the tariff in that country could be regarded as provocative? I say that with the knowledge which we have before us at the present time, were we to do what hon. gentlemen opposite by their amendment apparently wish us to do, namely raise the tariff, we would be creating in the minds of the American people the very sentiment which would cause them to raise their tariff higher perhaps than it was ever their intention to raise it. We do not intend to take any action of that provocative character.

May I say to my hon. friends opposite, in the other corner of the house, that were we to-day to take a step along the lines of increasing the British preference to a greater degree than exists at the present time that step also might be misconstrued, for we know that there are people on the other side of the line who are just as anxious to be troublemakers as certain people on this side of the line, who are ready to misrepresent matters, and we have to take human nature as it is, and deal with it as it is. So facing the situation before us, we have followed the policy that we have followed in the past and that we shall follow at all times, of dealing with each situation as it arises in the light of the conditions as they exist at the time.

I suppose there is no doubt as to the accuracy of that record?

Mr. DUFF: Why pause?

Mr. BENNETT: I think if the hon. gentleman, formerly of Lunenburg, but now of Antigonish-Guysborough, had listened he must have heard what was said by his leader with respect to that matter. But let me ask a question or two as to what is intended by this demand for reciprocity. Reciprocity in cattle, in butter, in eggs, in hogs—reciprocity in all these, I suppose, would be the proper thing to have?

Mr. DUFF: What about fish?

Mr. BENNETT: I am so glad to hear that—fish, as well as cattle, hogs, butter and eggs, because I will now give you the prices of these commodities in Canada and the United States. I got the market quotation to-day on hogs, and I find the figures are as follows:

Hog Prices

	Monday Jan. 29 Per 100 pounds	Tuesday Jan. 30 Per 100 pounds
Toronto—select bacons	$10 15	$10 35
Montreal—select bacons	10 10	10 10 to 10 15
Winnipeg—select bacons	9 25	
Chicago—good to choice—180-220 pounds	3 85	4 00
Buffalo—good to choice—180-220 pounds	3 75 to 4 00	

So we want reciprocity in hogs in order that Americans can find in Canada a market for their commodities at twice the price they get at home.

Mr. DONNELLY: What about the price of wheat?

Mr. BENNETT: The price of wheat is the same as the price obtained in Canada having regard to the duty of forty-two cents per bushel imposed by the American congress against Canadian wheat.

Just one more moment while I deal with a further question as to the prices of cattle, bacon, butter and eggs, in the two countries. We have now had expressed in this house by western members a desire that we should have a reciprocity agreement with the United States with respect to these items. The prices being received for these commodities at different points in Canada and the United States are as follows:

Cattle—	Per cwt.
Good weighty steers—Toronto	$5.40-$6.50
Good 1,100-1,300-lb. steers—Chicago	5.00 - 6.25
Hogs—	Per cwt.
Select bacons—Calgary	$8.50
Select bacons—Winnipeg	9.00
Select bacons—Toronto	9.45
Select bacons—Montreal	9.25
Good to choice, 180-220 lb.—Omaha	$3.25-$3.40
Good to choice, 180-220 lb.—St. Louis	3.65 - 3.75
Good to choice, 180-220 lb.—Kansas City	3.35 - 3.45
Good to choice, 180-220 lb.—Chicago	3.60 - 3.75
Butter—	Per pound
No. 1 pasteurized, wholesale—Montreal	25½c. to 26c.
Comparable grade—New York	20½c.
Butter Fat—	
For special grade cream—Alberta	19c. to 23c.
For special grade cream—Saskatchewan	20c.
For special grade cream—Manitoba	21½c.
For special grade cream—Ontario	27c. to 28c.
For sweet cream—Chicago	21c. to 21½c.

Eggs—	Per dozen
Wholesale prices—Toronto	30c.
Wholesale prices—Montreal	29c.
Wholesale prices—Chicago	19½c. to 20½c.
Wholesale prices—New York	24½c.
Prices to country shippers— Winnipeg	27c. to 28c.
Prices to country shippers— Kansas City	17½c.

That is the reciprocity the hon. gentleman says he wants.

Mr. VALLANCE: There is no reciprocity in that.

Mr. BENNETT: I asked him distinctly if he wanted reciprocity in those items; I named them and he said he did. He wants an opportunity for the American farmer to sell his agricultural products at Canadian prices which are higher than he can get at home. That is the reciprocity they say they want. Let them tell the agriculturists of Quebec and Ontario that that is the form of agricultural reciprocity that is wanted. Go and tell them that you want the American to come into this market to sell his products under such a reciprocity treaty. The only form of treaty that can be arrived at between countries is one that is just and fair to both and one that affords an opportunity for the products of the one country in the markets of the other under the most fair conditions.

Mr. VALLANCE: That is all we want.

Mr. SPEAKER: Order.

Mr. VALLANCE: That is all right but he has suggested it to us.

Mr. SPEAKER: Order.

Mr. BENNETT: If any other agreement is in the minds of those who have been speaking in this house, I can only say that there will be no agreement possible that imposes unfair conditions upon Canadians or that would subject Canadian dairy farmers, butter producers and hog and cattle raisers to the competition of prices received in the United States for comparable products.

Mr. DUFF: Mr. Speaker, with your permission, will the Prime Minister be good enough to give—

Some hon. MEMBERS: Order.

Mr. DUFF: Mr. Speaker, with your permission might I ask the Prime Minister to give the comparative prices received for fish in Boston, New York and Halifax or any other part of Canada.

Mr. BENNETT: I have not the figures beside me but I will endeavour to secure them for the hon. gentleman. If he will repair to the library I fancy he will have no difficulty in finding them in a Boston paper.

Mr. DUFF: I do not have to go to the library.

Mr. BENNETT: Perhaps the encyclopaedic mind of the hon. gentleman will provide an answer to his question without reference to the library.

Mr. DUFF: There is no comparison.

Mr. BENNETT: I shall now proceed to deal with another matter, the wheat agreement. The right hon. gentleman devoted considerable time yesterday to dealing with the wheat agreement and stated that this arrangement was eminently unsatisfactory to himself and his party. I think it well that we should start at the beginning of things and I should like to ask hon. gentlemen opposite whether they represent Saskatchewan, Manitoba and Alberta any better than their local governments? I should like to ask them whether they are any closer to the people of Manitoba than the Hon. John Bracken? I should like to ask them whether they are any closer to the people of Alberta than the Hon. J. E. Brownlee? I should like to ask them whether they are any closer to the people of Saskatchewan than the Hon. J. T. M. Anderson?

Mr. VALLANCE: Mr. Speaker—

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. VALLANCE: The Prime Minister is asking a question.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member is out of order.

Mr. VALLANCE: The Prime Minister has asked a question.

Mr. SPEAKER: The hon. member has no right to interrupt a speaker when he is addressing the house.

Mr. VALLANCE: With all deference to Your Honour may I suggest—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman should take his seat.

Mr. VALLANCE: With all deference to Your Honour may I ask—

Some hon. MEMBERS: Sit down.

Mr. VALLANCE: The Prime Minister has asked a question.

Mr. SPEAKER: The hon. member should not interrupt when a speech is being made to this house. I ask him to keep order and take his seat.

Mr. VALLANCE: May I ask a question?

Mr. SPEAKER: No.

Mr. VALLANCE: On a point of order.

Mr. SPEAKER: If the hon. member wishes to raise a point of order, he has a right to do so.

Mr. VALLANCE: I raise a point of order. The Prime Minister has asked a question.

Mr. SPEAKER: Order.

Mr. VALLANCE: He asked whether we who sit—

Mr. SPEAKER: The Prime Minister has directed no question to the hon. member. Sometimes in making a speech words are used which indicate a question but they may not be directed to a definite member of the house.

Mr. VALLANCE: Mr. Speaker—

Mr. SPEAKER: I ask the hon. member to take his seat; he is out of order.

Mr. VALLANCE: If the Prime Minister does not want to answer me—

Some hon. MEMBERS: Order.

Mr. BENNETT: On May 30 last a telegram was addressed to me reading as follows:

Winnipeg, Man., May 30, 1933,
5.10 a.m.

Honourable R. B. Bennett,
Ottawa, Ont.

The following resolution was passed at a meeting of the wheat problems committee representative of the governments of the three prairie provinces:

That in the opinion of the committee an increase in commodity prices generally and wheat prices in particular is essentially a condition precedent to any sustained improvement in Canadian economic conditions;

That in view of the present large world surplus of wheat and the present prospect of a further large Canadian crop, some plan of curtailment of wheat production in or exports from the four principal exporting countries is essential to any such price increase;

That we therefore strongly recommend to the government of Canada that it make every effort to secure for this question an early and prominent place in the discussion of the general economic conference and that the governments of Manitoba, Saskatchewan and Alberta, pledge the support of their respective provincial governments to the principle of such curtailment of wheat production or control of exports and offer to cooperate with the federal government in formulating plans to carry this principle into operation in Canada;

That any further discussion at the said economic conference should involve consideration of the possibility of any agreement arrived at between the said exporting countries becoming effective in the marketing of any crop handled after the first day of July, nineteen thirty-three.

Sgd. John E. Brownlee,
John Bracken,
M. A. MacPherson.

That telegram was received by me on the eve of my departure for the world economic conference. On my arrival there I found that Mr. Morgenthau, whose committee had been dealing with the matter at Geneva, had set up his committee at London. Representatives of all the wheat exporting countries attended, with the exception of Russia which came in later. After a full discussion certain facts were ascertained to which I shall presently refer, but it was realized that in order to make effective any agreement of that character, it was essential that the wheat importing countries should not believe, as in times past they sometimes had, that they were about to be made to pay through the nose for what they bought. Discussions took place with the wheat importing countries, Great Britain being the largest, and they agreed that it was in the interests of world conditions that there should be an increase in the price of wheat to the producer. The only method by which that could be arrived at was by dealing with the problem through the curtailment of production until such time as production and demand were near an equilibrium. Now, let us see just what was involved in that. This country unfortunately has been greatly misled with regard to wheat. I wonder if the house recalls the fact that immediately after the war we believed that we would have in a time of peace a wartime market, and that we should be able to maintain the sales of our wheat abroad on the same basis as during the war. Well, of course it was an unfounded assumption. We increased acreage, going up and up, increasing the production of wheat, until there were millions of unsold bushels, while across the water, in France, in Italy and in other countries they were getting back to prewar conditions and increasing their production of wheat so as to make themselves self-sustaining if possible. That was the position. How far this country has been misled in this matter I should like to point out. Suppose I merely point to a speech made, for instance, by Mr. Crerar, who is reported as follows:

With reference to the unemployment question, Mr. Crerar attributed the present conditions largely to the fact that the crop in western Canada was not so great in 1929 as that of

the previous year, and he made the prediction that if western Canada has a five hundred million bushel crop this year, and other crops were correspondingly large, within six months the greater part of the unemployment in Canada would have vanished.

An hon. MEMBER: What is the date?

Mr. BENNETT: That was June 13, 1930. Others had the same view. We were all mistaken. I am not here to place the blame upon the government of the day because the farmers of the west believed that all they had to do was to grow more wheat and they would be rich; I am not here to blame them for a single moment if they believed, as the farmers did, that all they had to do was to grow more wheat and they would find a ready market for it. The then leader of the government—and I am not saying that he is censurable—believed there was always a ready market for Canadian wheat. Indeed, Canadians had always been taught that. They thought it was so, but alas it was not. There is Italy to-day producing more wheat than the specified requirements of her own people. France, since the war, has improved her cultivation; she has improved the fertility of her soil, so that she is producing more wheat on a smaller acreage than before the war. More than that, she is exporting as a matter of fact certain quantities to Great Britain. And Germany is in exactly the same position.

The French realized the seriousness of the matter, and if any hon. members are interested they can see the form of placard or poster that is being posted up throughout France in connection with the reduction of the acreage of wheat production. One of those posters I have in my hand. Other countries are taking the same position. Now, why is it? The fact is that we had no understanding of the relation of consumption to production; that is all. Yesterday I thought that the leader of the opposition was about to put the case correctly. He said. "If I had a large stock of goods what would I do?" If any of you are familiar with the book written by Mr. Henry Ford during his own crisis you will recall what his answer was: Reduce your inventories. This country has accumulated vast quantities of wheat that cannot be sold. Have tariffs anything to do with it? Nothing in the world. The increased tariff that took place in France took place before this government came into power, three times in a few months; and while I took the view that this was unfair under the treaties, it was a matter which in fact was only incidental to the carrying out of their national policy of being self-sustaining.

I wonder if the people of this country realize the extent to which the terror of starvation has seized the people of Europe. They went through a great war. You all know the conditions in England; you know what those conditions were during a few months of the war. On the continent of Europe two fears obsessed the people; one was the fear of the submarine menace and the destruction of ships that might carry grain to their ports if they were again in trouble, and the other was the fear that they would be held up to ransom in the matter of prices so that they could not pay them. They resented the idea of having to pay a ransom, and shall I make this observation in this regard. I think it is within the knowledge of some of the members of this house that some good Canadians believed that the necessity of one community was the opportunity of another. I will say something that may be misunderstood. The late Sir George Foster was the only man I know of who during the war contended, in season and out of season, against charging too high prices for wheat. He ventured always to say that in his view, if we did that, we should pay the price. Sir, we charged $3 per bushel for wheat during the war and got it; hon. gentlemen know that. When the war was over we continued to increase our production of wheat, believing that all we had to do, as Mr. Crerar has said, was to produce five hundred million bushels and we were rich. But what were other people doing? Confronted with the fear of starvation on the one hand and the fear of being held up to ransom on the other, they at once set about improving their methods of cultivation, in some cases vastly increasing acreage, though in France they did not even increase their acreage. There they improved methods of cultivation so as to make it possible for them to grow more wheat than ever before.

Need I remind the house of something that is known to everyone. Man perfected a machine by which he extracted from the air certain nitrogenous elements that enabled him to fertilize the soil cheaply, whereas before he had to bring nitrates from Chile. Now, confronted with such a situation, what would a merchant do? Overstocked, and without any possible market, what would he do? The right hon. gentleman yesterday talked about markets, markets, markets; he said, "Go and get markets."

An hon. MEMBER: Blast them.

Mr. BENNETT: There are certain markets that can be, but this is not one. When you come to deal with wheat you are faced with

this fact as everyone knows, that France, Spain, Italy, Hungary, Esthonia, Roumania, Bulgaria and other countries are increasing their wheat production, so that the Danubian countries have an exportable surplus. France has an exportable surplus, and Germany after supplying her people has a surplus. Italy, with the draining of lands and improved cultivation, and in the effort to supply the food requirements of her own people, has this year produced more wheat than Canada.

With that situation the three premiers of the provinces affected met together and sent me, before I left for England, the telegram which I have just read, and I took the course I have indicated. Conferences were held from time to time, until finally the conference adjourned, the wheat committee remaining in being. Mr. Morgenthau returned to the United States, and Mr. Murphy of Minneapolis, himself a wheat farmer, took the matter in hand from the standpoint of the Americans, who showed the greatest willingness in the world to assist in meeting the situation. Canada was the worst offender; we had the greatest surplus of unsold wheat. What was to be done? Finally, as the right hon. gentleman said yesterday, they met in the High Commissioner's office, and at that office they signed an agreement. The agreement is predicated upon our not growing more wheat than can reasonably be taken care of with the adjustments that are necessary to get rid of the present surplus. Most hon. members know that but for the intervention of the government the wheat situation would be an intolerable one. They have from time to time asked for a wheat board but they have had practically a wheat board for two years. The wheat surplus in this country is very large. I shall give just two or three figures in order that there may be no misunderstanding about the matter, and in order that there may be no uncertainty as to what is said I am going to read this statement which to some extent will answer the question of the hon. member for Weyburn (Mr. Young):

The first warnings of impending change in the wheat situation came in 1925 when Italy and Germany increased their duties on imported wheat. In 1927 France increased her import duties on two occasions, practically doubling the rate. With large domestic crops of foodstuffs in prospect in the summer of 1929, France and Italy again increased their import duties followed by an increase in Germany in December, 1929. In June, 1930, the Italian import duty was increased to eighty-six cents per bushel (later increased to $1.07 per bushel); in October, 1930, the German import duty was increased to $1.62 per bushel; and in June, 1930, France imposed a duty of eighty-five cents a bushel on imported wheat. These severe tariffs were followed by the inauguration of milling quotas which limited the amount of foreign wheat which could be used in domestic mills. Smaller importing countries followed the example of the larger importing states and, at the present time, there is not a wheat-deficient country in Europe which does not directly or indirectly impose restrictions upon importation of wheat. The abandonment of the gold standard by the United Kingdom started a regime of fluctuating currencies and as a result importing countries strengthened their quantitative restrictions such as milling quotas and exchange controls. These measures were made more effective than tariffs in regulating imports from countries with inflated currencies.

This one can readily understand.

The question naturally arises as to why this action was taken by importing countries. The answer is simple. Importing countries acted in defence of their own farmers. By taking the action which they did, these countries served notice that they were not going to allow domestic prices to fall to the level of prices in exporting countries where large surpluses of wheat were driving prices downward. They acted to meet the crisis which threatened their economic life. During the past five years the continent of Europe has produced more wheat than North America and therefore the fall in wheat prices vitally affected Europe. The main net importing countries of northern and western Europe had the strategic advantage of being able to withstand the direct effects of the falling international price level through regulating the price of imported wheat by the imposition of import duties and by other devices. In other words, while the Liverpool price of wheat fell to the lowest levels in history, France, Germany, and Italy have maintained prices well in excess of $1.25 a bushel since 1929.

Mr. MACKENZIE (Vancouver): What is the document from which the right hon. gentleman is reading?

Mr. BENNETT: I am reading from the document that has been circulated by the governments of the western provinces. I am doing so in answer to a question asked by the hon. member for Weyburn.

The crisis for European countries as well as for exporting countries arose from the emergence of an abnormal world carry-over of wheat as Europe gradually recovered her pre-war position and exporting countries continued to maintain and in some instances to expand acreage which had been sown to wheat when European agriculture was disorganized during the war and early post-war years.

Now, without going into this at further length, may I give just these figures:

When the wheat conference met in London during the latter part of August, the European wheat situation demanded particular attention. It appeared quite obvious that even the record production of 1932 would be exceeded due to the more favourable growing season of 1933. The principal improvement was in the Danubian area, where a partial crop failure occurred in 1932. The four exporting countries in the Danube basin produced about 129,000,000

bushels more in 1933 than in 1932, with indications that they would have a surplus of nearly 50,000,000 bushels for export in the 1933-34 season. France, Germany, and Italy produced large crops and these were particularly alarming because the effects of the heavy 1932 crops were still evident. The French wheat estimate is 339,000,000 bushels compared with 334,000,000 bushels in 1932. Germany's harvest is placed at 203,000,000 bushels compared with 184,000,000 bushels last year. The Italian crop is estimated at 297,000,000 bushels compared with 277,000,000 bushels last year. The United Kingdom estimates its wheat production at about 62,000,000 bushels, a substantial increase over the 44,000,000 bushels garnered in 1932. The Netherlands, Greece and Switzerland each had larger crops on increased acreage, while the crop in Belgium was reduced slightly due to the lower acreage seeded in 1933. Thus seven of the eight major European importing countries produced more wheat in 1933 than the record yields of 1932. The smaller countries were similarly favoured by the weather in 1933. Spain and Portugal are the only European countries which have appreciable decreases in 1933 wheat production compared with 1932 returns. Thus the continent of Europe, which is the principal market for overseas wheat, will have lower import requirements in 1933-34 because of increased acreages and exceptionally high yields per acre during the past growing season.

Without going further into that, I should like to read just this paragraph from the agreement. The agreement was:

To consider the measures which might be taken in concert to adjust the supply of wheat to effective world demand and eliminate the abnormal surpluses which have been depressing the wheat market and to bring about a rise and stabilization of prices at a level remunerative to producers and fair to consumers of breadstuffs.

May I say that nothing more impressed me than to see the representatives of importing countries rise in their places and say that they believed the only way in which an ultimate return to prosperity would be secured was to bring about for wheat a price that would at least give a profit to the producer. They put that very strongly; they said that they were willing to give the greatest possible assistance to attain that end.

Mr. STEWART (Edmonton): Has the right hon. gentleman the figures of surpluses in exporting countries?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): I thought perhaps he might have them to the date of the conference.

Mr. BENNETT: I have them under my hand, brought down to a later date and I shall mention them before I finish. Let me give Canada's position:

It has been shown that the expansion of production of wheat in exporting countries and the return to pre-war production of this cereal in Europe resulted in a burdensome surplus of wheat.

I should like the house to listen to these figures:

In 1914, Canadian wheat acreage amounted to 10,000,000 acres. In 1933, Canadian wheat acreage amounted to 26,000,000 acres. While this situation has developed, the 1933 wheat acreage of Europe, where Canada must sell the bulk of her surplus, has reached and surpassed pre-war levels.

That is the story. I shall see if I can obtain a copy of this document and send it to the hon. gentleman, because there is a great deal of information in it; it answers many questions he would like to have answered, and on the back there is a series of charts bringing the figures reasonably down to date.

What did we undertake to do? First, on the best information available, it was concluded that 560,000,000 bushels of wheat would meet the requirements of the wheat importing countries of the world. It was agreed that Canada should have 200,000,000 bushels of that market. This was somewhat larger, some said, than we had a right to. I am bound to say that the attitude of the delegates was one of extreme fairness. They said this: Canada has been increasing its production in a very marked way and if it has 200,000,000 bushels of that market for the season 1933-34, that will not be unfair. But before the agreement was signed, in order that I might have the assistance and benefit of the views of the western provinces themselves, I cabled to western Canada and Mr. MacPherson, after a conference with the three provinces, came to London and with me signed the agreement. This matter is largely one within the jurisdiction of the provinces. On the large matter of trade we as a nation are affected. With respect to the acreage that shall be placed in wheat, the quantity that shall be delivered to the elevators, over those matters the legislatures of the provinces, of course, have control. The pool organizations in the three provinces have all approved of this agreement, Manitoba being the first, Saskatchewan, I think, second, and lastly Alberta. They have approved of the terms of the agreement. Why? Because they realize that any man in business who is confronted with an unsaleable surplus should so regulate his affairs as to reduce that surplus to the point where his future production will meet the requirements of those to whom he has to sell.

Mr. MACKENZIE KING: May I ask the Prime Minister if the agreement is in force at the present time—

Mr. BENNETT: Yes, the agreement is in force at the present time. We are this year operating on the two hundred million quota for Canada, subject of course to increase in certain contingencies. That is the position of affairs at the moment. That is, the crop year that ends on July 31, 1934, is to witness the marketing by Canada of not more than 200,000,000 bushels of wheat. As far as we can at present ascertain there will be less than that quantity required by the importing countries.

I would like to direct attention to one or two further considerations. If the provinces desire that the national government shall assist them to attain a given end, that end not being within their competence, I look upon it as the duty of the national government, the matter being of such importance, to lend assistance. The national government did so, by acting as I have indicated. It is apparent to any thoughtful man who takes the trouble to read the information available, and from the survey that has been made by a Canadian, Mr. Cairns, the secretary of the advisory committee that was set up to remain constantly in action, the position is just as it was in August only that some of the countries in Europe have produced a somewhat larger quantity of wheat than was expected.

Mr. MACKENZIE (Vancouver): Has Russia come in yet?

Mr. BENNETT: Russia executed the agreement, yes. It was left to the exporting countries to determine the extent of the Russian quota on the assumption that 560,000,000 bushels would be the entire quantity imported by the importing countries. Russia contended that she had a larger quantity to sell than the other countries said was available for export. I believe Russia has exported some 25,000,000 bushels so far during the present crop year, and in every respect the provisions of the agreement with respect to the exporting countries have been observed. The report read to this house yesterday by the right hon. gentleman from the Citizen, is, I think, manifestly unfair. It was obviously a statement made up by a reporter. He gave no warrant in any sense for what he had written, and I say it was not a correct statement of the situation. When the provincial premiers were here we did discuss this matter, except that Mr. MacPherson represented Saskatchewan and not Mr. Anderson, who was busy with the Minister of Finance at the moment. The conclusions at which we arrived after the fullest investigation were that nothing had transpired that in any sense improved the situation over what it was when the agreements were made. The provinces remain firm in their conviction that the only way in which they can meet these difficulties is by seeing that the surplus is absorbed, which means that they will lessen their production.

Mr. BROWN: Would the Prime Minister give particulars of the methods employed by the government in putting the agreement into force, as he says they are doing?

Mr. BENNETT: There is no necessity for employing any methods at the moment, because until there is some indication that the two hundred million will be exceeded business goes on in its ordinary way. There has been no restriction of any kind because the demand has not been such as would require it.

Mr. DONNELLY: Does the shipping year end in July?

Mr. BENNETT: No, but they adjust their business as of that date, because as the hon. gentleman knows it is summer in one country when it is winter in another. All these adjustments have been taken into consideration in arriving at the agreement.

Mr. VALLANCE: Would the Prime Minister tell us how much the carry-over of Canada is this year?

Mr. BENNETT: The carry-over of Canada began to accumulate in 1929. Those of you who recall what took place at the opening of parliament that year will remember that in the speech from the throne the Prime Minister of the day indicated that the major part of the wheat crop of the year was still in the hands of the Canadian people. The accumulated surplus exceeded 200,000,000 bushels, as the hon. gentleman knows better than I, beginning to accumulate in 1929. Last year we spoke of it as 220,000,000 bushels, the figure being, I think, some 219,000,000.

Mr. MACKENZIE KING: May I ask the Prime Minister one question before he leaves this subject? I ask it because I find difficulty in discovering an answer. How does it come that Canada is bound by an agreement which vitally affects the agricultural policy of the whole country, and which agreement this House of Commons has not had opportunity either to approve or to consider?

Mr. BENNETT: In exactly the same way as delegates from this country negotiated the West Indies agreement, that involves us in a loss of a million dollars a year. The

executive charged with responsibility discharges its duties as such, and comes back to parliament and asks for vindication and support. If it does not receive it it goes out of office; if it does, it remains in office. In the case of the West Indies agreement, negotiated by the right hon. gentleman and his friends, they negotiated a contract which involved this country in certain obligations that affected the whole country because the taxpayers have to pay about a million dollars a year as a result of it. This is done in the same way as all obligations and agreements are entered into by the executive.

Mr. MACKENZIE KING: If parliament had had or were to have opportunity to approve the agreement there might be some force in what the Prime Minister says. But apparently the agreement is in force now, and this house has not approved its provisions and has had no opportunity to consider it in any particular, nor is it likely to have such opportunity.

Mr. BENNETT: So were the others in force, as soon as the contracts were made for the building of the ships and matters of that kind. As a matter of fact it is a question whether this agreement requires the approval of parliament; I am rather advised that it does not.

Mr. MACKENZIE KING: Does the Prime Minister intend to submit it for approval?

Mr. BENNETT: That I have not decided, because it may or may not be necessary.

Mr. STEWART (Edmonton): We will surely have a chance to discuss it in the house?

Mr. BENNETT: There is the widest opportunity for discussion in connection with the estimates, and to make any motion thought desirable for that purpose.

Mr. YOUNG: The Prime Minister made a statement a few moments ago that a way had been found of growing wheat in France much more cheaply than formerly. Can he give any figures as to production costs there?

Mr. BENNETT: The information obviously would be available, but I do not carry it in my head, I hardly expected to be asked questions of that kind now. I dare say the hon. gentleman himself has a fair knowledge of what production costs have been since nitrates have been taken from the atmosphere by an electrical process instead of being imported from Chile. But I have no figures before me.

[Mr. Bennett.]

I shall not discuss this matter at greater length beyond saying that it will be within the memory of most hon. members that the former Minister of Trade and Commerce stated that the question of the sale of wheat was not one with respect to which the Department of Trade and Commerce could offer any assistance. He said the federal government could not do that, that it was a matter of supply and demand. We have ventured into the field because the provinces concerned as units of this confederation have asked our assistance, and while personally I have always felt that these are matters which must be considered and dealt with as part of a broad world plan, it is quite apparent that in dealing with questions of wheat there are only four exporting countries, and if the importing countries are going to take the position they have taken I believe it is the duty of the dominion to lend any assistance it can. So far as that is concerned we will be very happy indeed to afford any further information which may be necessary, as it is not clear that it is essential that the agreement should be submitted to parliament for ratification, involving as it does the jurisdiction of the provinces and, to a more limited extent, that of the dominion. At the moment the provinces have expressed their view that the effect of the grasshopper plague and the drought will be such as automatically to bring about a reduction in acreage which will be somewhat less than that provided for by agreement. Because of that fact it is difficult to express any very definite opinion as to what might or what might not have to be done. This, however, I should like to say: I did not think yesterday that the right hon. gentleman did himself justice when he endeavoured to parody a well known prayer from the Anglican prayer book. I did not think so, and I do not now. I am not unfamiliar with the position to which he was referring. I, too, have received communications from those who believe it is wicked and contrary to God's will to interfere with the production of a country. I was not unfamiliar with the matter to which the right hon. gentleman referred. In one instance, however, after pointing out the facts which I have related, I received from the correspondent a reply which indicated entire agreement with the view expressed. Because people pray for peace in our time it does not follow that in times of peril they do not make good soldiers. And because we pray for plenty there is no reason why we might not have to take disciplinary measures to ensure it. Upon reflection I cannot but think the right hon. gentleman will feel he has not done

justice to himself and to the high position he occupies when, in cold type, he reviews his effort to burlesque, parody, and place on Hansard a very serious prayer.

Mr. MACKENZIE KING: I was not burlesquing a prayer; the burlesque concerned the government.

Mr. BENNETT: It was a parody of a prayer from the Prayer Book, put in the mouth of the Minister of Trade and Commerce (Mr. Stevens), and I say that it came as near an approach to blasphemy as I have ever heard in this House of Commons.

Then, there is another matter to which perhaps I should refer, and that is that in the last speech from the throne the right hon. gentleman himself prepared, which was delivered on February 20, 1930, these words occur:

> The dominion is already recovering from the seasonal slackness evident at the end of the year, and it is not to be forgotten that the bulk of the 1929 wheat crop still remains in Canadian hands for final disposition.

Just why the country should be proud of the fact that it could not sell its wheat, I do not know. However, the right hon. gentleman saw fit to put words in the speech from the throne indicating that up to that time his government had not been able to find markets for Canadian wheat, that he was conscious of the fact, and that the Canadian producers still had on their hands for final disposition the bulk of the 1929 wheat crop. Well, I am bound to say it has remained there, substantially, in that form or from the production of other years, ever since. That is the position. It was at that time the condition arose, and as I indicated it had reached its culminating point last year, when we dealt with it.

Then, the right hon. gentleman referred to rural credits. I think it well to say only this, that the right hon. gentleman doubtless had in his mind his own efforts in that direction. During the period we sat in conference with the provinces it was quite apparent that the efforts to set up short term and intermediate rural credits had been going on indefinitely for a period of twenty-five, thirty or forty years, and that those efforts had not been successful. Various reasons were advanced as to why it had not been possible. It is possible that upon ultimate analysis it will be found that in the older countries there has been no accumulation of capital, at low rates of interest, available for that purpose. I find in the speech from the throne delivered on January 8, 1926, the following:

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

Will any hon. member in this chamber say he has felt the effect of the wide facilities for rural credits established in 1926? Will anybody in this country say that those wide facilities were established? Although hon. members opposite held office from 1926 to 1930, and although the right hon. gentleman opposite promised legislation in that year, will he say that at the time he went out of office these wide facilities had been established? He knows now, as perhaps he did not know when he prepared that speech from the throne, the difficulties of establishing cheap money credits for the farming population on short and intermediate terms. Hon. gentlemen in the corner opposite who have given much attention to this matter know from what has transpired from year to year in committees of the house how difficult it is to find any solution for the problem. The matter has engaged the attention of the officers of the Department of Finance. The best minds they have been able to secure to assist them have been made available, and provincial officers have discussed the matter with the federal authorities. I can say only this, however, that while I do not feel too sanguine that an adequate solution will be found, I believe some solution will be found which will be beneficial to the rural population. That is all which I believe can usefully be said in that connection.

I now pass to another matter, and then I have finished with this particular phase of my remarks. The right hon. gentleman dealt with the problem of unemployment relief, and the attitude taken by the Prime Minister with respect to the provinces. I find that in 1922 the right hon. gentleman was confronted with a problem of unemployment. In the speech from the throne delivered on March 9 of that year I find the following:

> In many parts of the dominion continued depression of business naturally produced in a much larger degree than usual the misfortune of unemployment. Whilst of the opinion that unemployment relief is fundamentally a municipal and provincial responsibility, my government has felt that as conditions have arisen in a measure out of the late war, they would be justified in continuing for the period of the winter months the expedient of supplementing by grants from the federal treasury the relief contributions of provinces and municipalities for the purpose of alleviating actual distress.

Further, I find the following in an order in council passed on January 25, 1922:

The present administration, assuming office at the close of the year 1921, finds that a condition of unemployment beginning in the late months of 1920 and continuing throughout the year 1921 does not promise any material abatement during the early winter months of 1922.

Consideration has been given to the means which would seem best adapted to the relief of the distress resulting from severe unemployment conditions, and the provisions to this end of P.C. 3831 have been carefully noted.

The minister concurs in the view that the question of unemployment relief is fundamentally a municipal and provincial responsibility; that the abnormal economic and industrial conditions now existing and arising in a measure out of the late war alone afford justification for action on the part of the federal authorities; that federal action must therefore supplement municipal and provincial efforts—

I repeat the words "must supplement"—

—must be designed on lines permitting close and effective cooperation with and supervision by municipal and provincial authorities, and must be proportioned by the efforts of those authorities.

That was the declaration made by the right hon. gentleman in the order in council P.C. 191, dated January 25, 1922, and I say to him that it is not correct now any more than it would have been correct then to say that the relief that is being given in municipalities by provinces themselves or the relief carried on by the municipalities is federal relief, because it is not. The federal government by grants in aid is assisting the provinces to carry on their constitutional obligations, just as in 1922 the right hon. gentleman in that order in council declared that to be so. So when you refer to direct relief or to doles in this country I should like this house at the very threshold of the session to understand that in no sense was that ever imposed by the federal government on the provinces.

The provinces met together in 1931 with the federal government and said that the only method by which they could continue to discharge their duties was through direct relief. They said the same in 1932. They met again here in 1933, and again the other day. In 1933 they suggested that something might be done further with respect to public works and undertakings with the assistance of the federal power. In 1934 they said the same thing.

With respect to commissions they claimed, the larger provinces in particular, that they were not prepared to hand over the conduct of their provincial and local affairs to any federal commission that we might set up; that they themselves were masters in their own house and would discharge their own constitutional duties, and they sought and obtained from us assistance based on the actual necessities of the situation. All the provinces have received assistance, not the western provinces alone, but the rich great provinces of the central part of Canada, Quebec and Ontario, have also demanded their share on the same basis as the others and have received it; and they have assumed responsibility for administration. We have told them, and I am repeating what I said to them the other day, that in some instances we are not satisfied with their administration. We told them that we intended to impose conditions on grants being given unless there was evidence of better administration. That we have a right to do, and I think you will agree that it should be done. The same conditions that in a smaller way confronted the government of the day in 1922 confronted this government when in an effort to relieve the situation by means of public works and undertakings—to which I shall presently refer, for they also are dealt with in the same order in council—we asked the municipalities and the provinces to give their assistance, as they did. At page 2 of the order in council which I have just read, the then government of the day set out the conditions under which it proposed to give assistance for the purpose of enabling necessary works to be constructed, even at a higher cost. We have believed that it was not wise or provident to spend moneys on public works under conditions where the cost would be out of all proportion to the results obtained during the winter season.

The camps that have been set up under the Department of National Defence and providing food and clothing and shelter and twenty cents per day for fifteen thousand people or more brought the warmest encomiums upon their administration from the premier of Quebec. Without divulging anything that took place at the conference, I may say that he made that abundantly clear both publicly and privately, and the same might be said of the camps carried on by the Parks branch.

With respect to other undertakings carried on by the provinces to which federal assistance is given, it is of course difficult in the three prairie provinces to provide public works and undertakings in a season like this. When the right hon. gentleman says that the government must submit in broad and general outline, and perhaps in detail, what it proposes to do, I can assure him that that is exactly what is intended to be done, because

it is not our purpose to undertake to spend x sums of money without regard to where it may be spent—not at all. But it is believed that, within limits, essential undertakings can be accomplished by the dominion for the purpose of doing something towards finding employment for that class of the population that is not absorbable in industrial activity. But when you have regard to the seasonal changes in this country; when you recall its economic history; when you remember that the bureau of statistics has indicated that the average of unemployment for the whole of Canada year after year before 1930, prior to this depression coming upon us, amounted to about 144,000 people—that was the average that came about through seasonal changes—and when you remember the conditions under which west of the great lakes men become unemployed after the harvest is garnered, and how in the cities and towns there is unemployment when construction work is ended—it will be realized that with those conditions before us the effort that is being made is an effort, in that season of the year when the work can best be done and the best results obtained, to see that public works of a limited character are carried on.

Again I desire to point out that the criticisms urged by the right hon. gentleman against these schemes are criticisms made of the very same effort which he himself and his government made when they came into office in 1922. We were confronted in 1930 with conditions under which sums of money were voted for the purpose of enabling public works and undertakings to be carried on. Level crossings were built and public buildings erected in various cities and towns by the joint effort of the provinces, the municipalities and the dominion; and when the provinces and the municipalities met together in conference and indicated, as they did, their inability further to continue along the lines suggested, we carried out the plan that had been adopted by the late government—the only plan that could be carried out in view of the financial stringency and the difficulty of the provinces in finding means with which to carry on—and that was the giving of grants in aid. What is more, when they met the other day there was a feeling on the part of some that some provinces had not been as economical and as careful as they should have been, that they made larger expenditures in the past than they should have made, and there was quite a critical attitude especially with respect to the four western provinces. But when they heard the story firsthand from those responsible for government, when they realized that these western provinces were not responsible for the hundreds and thousands who were brought in from abroad and landed there as new settlers, calling for roads and schools and facilities of various kinds; when they realized that the western provinces were not responsible for the charters granted to railroads that imposed further burdens upon them, they unanimously passed resolution No. 4 which will be found upon the sheet laid on the table the other day, that under special circumstances special consideration should be given some of the provinces in this confederation.

We have advanced them money, loaned them money borrowed from the people of Canada. We have endeavoured to maintain their credit because we believed that for the maintenance of the credit of the unit as a whole it was necessary to maintain the credit of each of the factor units that made the whole, and to that extent so far we have been successful.

It well may be that in dealing with large questions of finance in this country—I believe it will be—we must impose upon ourselves cruel disciplinary measures and make a very large conversion loan, but in view of the conditions that exist that cannot be done at any moment you think it is desirable so to do. So many factors have to be considered and so many matters determined that I can only say that in my judgment it will be some time before this country will be in a position to carry that forward.

But I do deprecate the attitude taken by some of those who represent the provinces. The hon. member for Vancouver Centre (Mr. Mackenzie) speaking in Calgary the other evening said:

> In British Columbia the government will offer to pay its creditors a reasonable rate of interest, and they will be told they can take their money elsewhere if they are not prepared to accept that rate.

That is how it is reported in the press. But Mr. Speaker we cannot repudiate without destroying our credit; we cannot default without destroying our credit and the burden that comes upon the central power by reason of the enormous obligations contracted by the western provinces indeed places us in a most difficult position. But after threshing the matter out as we did the other day involving certain curtailments of expenditures, I believe it will be found that there are no reckless expenditures going forward at this time but that men are being provided with shelter, food and clothing, and with some employment under conditions that preserve their morale and give them at least a few cents per day for the effort which they are making. I be-

lieve that has commended itself to the judgment of observers in other parts of the world. That is all I can usefully say with respect to that.

There is one thing more with respect to the question raised yesterday regarding the central bank. I do not desire to take a great deal of time in traversing this matter, but what I endeavoured to say in London, Ontario, I repeat here, and it is wholly consistent with what took place. When I realized for the first time that this Dominion of Canada could not carry on direct exchange operations with London for any substantial amounts except through Wall street, I personally was of the opinion that this country should have a central bank. A central organization is essential for the purpose of maintaining exchange rates and proper balances. That did not indicate in any sense that the government had so concluded; it was my personal conclusion. I recorded it the other day in London, Ontario, during the course of my speech there. We said last year in this house—I said it in 1932—that we believed the matter would require careful consideration at the next revision of the Bank Act. I thought so then and I think so yet. It is not important what one thinks or does not think with relation to it, but it cannot be gainsaid that it was desirable that an opportunity should be afforded to the Canadian people to present their views on this matter to a commission which represented every phase of thought with respect to financial matters. The banking interests were there, the agricultural interests were there, and what might be called the non-partisan judicial interests were there. An opportunity was presented to all. While I deprecate very strongly the statement read yesterday as to what took place at the conference in London, England, far be it from me to suggest that for a single moment was I responsible for the shaping of any resolution. I voted for that resolution and it was unanimous. I am sorry if through an inadvertence a newspaper reporter has made it appear that I endeavoured to accept any credit for that resolution. I merely voted for it as I believed it was desirable that in countries such as this—there are some others—there should be a central banking authority.

The bill to be presented to this house is not any effort on the part of the government to snatch glory or advantage from their opponents; it is because I believe, with the knowledge I now possess, that twenty years ago there should have been a central bank in Canada. That is a matter of profound conviction at the moment. I trust that the bill to be submitted to the consideration of this house will receive the careful attention which is essential to its successful operation. I think it is quite clear to everyone that we must have such an organization. However, it will not discharge all the functions which some people think it will. It will not give every man money whether or not he has security.

I quite agree with what the right hon. gentleman has said with respect to conditions in western Canada. I lived thirty years of my life in western Canada. I have seen a man with little capital, with practically nothing but his own hands and courage, go upon a homestead and accumulate a great competence and leave a fairly substantial fortune behind him. Across the road I have seen another man take another piece of land equally good, and turn out to be an abject failure. You cannot in the west, any more than in the east, estimate what the differences between individuals are that bring success or failure to their undertakings. One succeeds, the other does not. The hail takes one, the other escapes. The grasshoppers destroy the crops of one while they miss the crops of the other. One succeeds, the other fails. Ever since I have been in western Canada there has been an insistent demand for the loosening of credit. Sometimes I have said to the people of western Canada, as I have said in this chamber, that the banker who would lend indiscriminately the money of his depositors would be untrue to his trust by so doing. Sometimes men have the idea that they should be loaned money simply because they are alive, regardless of any other consideration than their own necessities. After all, a bank holds the money of its depositors in trust, and it cannot lend that money to those who have neither character nor possessions to support their applications for loans. These things must be dealt with upon a business basis.

An effort is now being made to launch a central bank in this country so that credit may be available for the banks under conditions which I trust will be satisfactory. It must not be forgotten that the provisions of the Finance Act provide for many credit facilities which were satisfactory but complaint has been made in days past that fundamentally it did not strike at the very roots of a central reserve bank, of exchange, of international balances and of stability. The world is suffering to-day from a lack of stability in its currencies and in its exchanges, and it is my view, rightly or wrongly—it is the view expressed the other day by Mr. Ramsay

MacDonald—that there can be no return to a permanent prosperity until such time as there is stability of exchanges between the nations of the world. How can it be otherwise? If I buy to-day in sterling and I find it is worth $5, and thirty days from now when my obligations mature, I find it is worth $4.80, or vice versa, how can I hope to have business firmly and steadily established? These are facts that we must consider. It is no more possible for us to solve these problems by mere words than it is by taking thought to add a cubit unto our stature.

There are great forces in the world which we do not control, forces under the control of the millions of the world. We are but ten and a half millions. We are doing our part, but I am sure that these great forces will bring their power to bear ultimately to settle and agree upon the valuation of currencies in order that the world may continue its international business. Hon. members will recall a speech made not long since by Mr. Owen D. Young. He spoke at one of our great universities and he pointed out that probably the future international trade of the world would rest not with our manufactured commodities as much as it would with our luxuries and primary products. Along with other countries, Canada has become a great industrial country. All countries are endeavouring to utilize their raw materials and develop them into finished products. Where a market existed thirty years ago, there is none to-day; where one existed ten years ago, there is none to-day. We are endeavouring to supply our own wants and other countries are doing the same. Changes are taking place everywhere which restrict and limit the ambit of our influence with respect to international trade. It is not possible for us to sell our commodities in countries that can produce the same commodity more cheaply than we can. Mr. Young was of the opinion that having regard to the changed conditions, we would be limited in the international field more or less to the sale of luxuries and raw commodities. That is the reason why stability of currencies is so overwhelmingly important, and I trust that the central bank we set up may play its part in bringing about that end.

I do not think I can usefully say anything more about this phase of the discussion, but before I leave it I want to refer to one matter, in connection with a guarantee given by the government of the day to enable the Canadian Pacific Railway Company to discharge its obligations. This parliament vested the executive with power. It was not power usurped, it was power conferred. Those opposite were opposed to the granting of that power and authority. But this is fundamentally the keynote of the policies of the United States to-day, that the executive has had conferred upon it power and authority in a manner and to an extent never before known. Why? Because emergencies arise from moment to moment which must be dealt with promptly. You cannot set in motion the complex machinery of a parliament or a congress at a moment's notice; the thing must be accomplished by special action. The government that does it must accept the judgment of this house or of congress, as the case may be. If it errs, it will be condemned; if it is wrong, it will reap the punishment of its wrong acts. But if in the discharge of its duties it has kept the public interest always in sight, has used its best judgment, and has seen to it that honesty and integrity shall characterize its transactions, then at least I believe that the House of Commons as well as the people of the country will say that that condition, arising as it has, should be dealt with promptly. In that regard I should like this house, on the very threshold of the session, to understand how difficult indeed it is for this country to carry on where money is required. We have but limited revenues and but a limited population from which to draw them; we have but limited wealth. We have no accumulations of wealth as the older countries have, and, what is more, we must bear in mind the vast aggregation of responsibilities incurred by Canada in the great war, by which we pledged the future to an extent far beyond the general understanding of the people of that day. The future was pledged to an extent which means that to-day our debt is nearly three billions of dollars, and we have a second debt—because debts are measured by the sums on which you have to pay interest to those who lend; we have therefore a second debt in connection with the railways, of nearly one billion dollars. Under these circumstances you can see why it is that we cannot spend millions as our great neighbour can spend billions. When they have exhausted their program to the extent of twenty billions more they will not have a debt, per capita, as large as that of Canada.

Let it be clearly understood that this country has imposed upon it limitations because of the conditions created in the past, and obligations incurred. With respect to the railway situation, the right hon. gentleman yesterday said that more lines of railway were built under the Conservative than under the

Liberal administration. I wonder if he realized precisely what that meant. Of course, the last act in the last session of the Liberal government of 1911 was to guarantee the Canadian Northern Ontario bonds, and the road was not finished until years after—finished in the days of their successors. The road was kept in construction as long as possible; for so long as it was in the construction period it could pay interest out of the bond guarantee proceeds, and not otherwise. Therefore they kept it in the construction period as long as possible. But when these miles of road passed into the operating stage we had the Grand Trunk Pacific bankrupt from the day the rails were laid. We had the National Transcontinental, which was to cost thirteen millions, according to Hansard, but cost as a matter of fact hundreds of millions, and which did not earn the money with which to paint the stations. Then too there was the bridge across the St. Lawrence, built twice. All these are part of it, and my complaint in Toronto the other day was that the Liberal party asked the people of the country for support in the light of the fact that during the past their view was so circumscribed, so limited, that they could not see that a population such as ours could not support three transcontinental roads. My complaint was not that we had a system competing with the Canadian Pacific Railway; far from it. Everyone realized that we could support a second road, not in this chamber but in the chamber that stood upon these foundations, Andrew G. Blair, pointed out the inevitable result. He was not listened to, nor were others who pointed out the same thing listened to. These were voices crying in the wilderness. But, sir, we are now reaping the whirlwind; we cannot escape it. We have three transcontinentals. We have the Canadian Northern, built up as it was by the guarantees of parliament, up to Edmonton. I remember the day of the opening there. Then British Columbia stepped in and guaranteed the bonds of the Canadian Northern in British Columbia down to the sea coast. Further, we had the Grand Trunk Pacific from Winnipeg to Prince Rupert, and then the National Transcontinental, from Winnipeg to Moncton, crossing the St. Lawrence river. We had the old Grand Trunk linking up with the Grand Trunk Pacific and the Canadian Northern; for instead of linking up these two systems together, without giving a charter for a third, instead of endeavouring to do what sound business men would do, the cry was, "We cannot wait." And so we plunged ourselves into the venture for two more transcontinentals, with the result that all three were destroyed.

Every morning as I go to my work I pass the statue of Sir Wilfrid Laurier, and I pay tribute to the fact that his disinterested patriotism was known to all men; he desired to do what was best for Canada. But the fact is that he did not foresee, when he and his government pledged their support to the construction of two transcontinentals in addition to the one we then had, that this meant certain and sure insolvency to the roads themselves. I do not claim any vision, but I can say that I stood in the hall at Calgary and pointed this out and was denounced as a pessimist. Governments must lead, but they are pushed on by people; and the people of this country in those days, with capital coming in and money being spent, said, "Never mind the morrow." But the morrow has come, and the difficulty that your government experiences at this time is that the limitations imposed upon us by the debts of Canada, incurred alike for the railways and for the great war, place upon us responsibilities that cannot be lightly discharged and that prevent us from taking those forward looking measures which, with capital and credit, we should like to take. Every thoughtful Canadian knows that. And that brings to my mind one thing more.

I hear it said that the late government reduced the national debt of Canada. Well, they did reduce the bonded debt of the nation, but they increased the indirect debt, so that the interest payments upon the latter exceeded by over one hundred and fifty million dollars the sum total that is represented by the decrease in the debt. Everyone knows that. All you have to do is to take the figures of the increase in the indirect responsibilities in connection with the railway and the reduction in debt during the time of Mr. Robb and his predecessor, and strike a balance and you will find that the test of the debt is the sum upon which you pay interest to borrowers. And we are paying in interest, or we were paying at the end of that period of time, over one hundred and fifty millions more than we were paying at the beginning of the period. These are facts, and I mention them because it is important to have a clear appreciation of the situation.

I have dealt now with all the matters I desire to discuss leading up to what I shall have to say with respect to the guarantee given to the Canadian Pacific Railway, and I would ask the right hon. gentleman opposite and hon. members of this house to listen to the reading of this document. I shall be content to make no argument with them as

to whether or not any one of them charged with responsibility would have done what this government did:

The committee of the privy council have had before them a joint report, dated November 28, 1933, from the Right Honourable the Prime Minister, the Minister of Finance and the Minister of Labour, submitting:

1. That they have had under consideration a request to the government from the Canadian Pacific Railway Company for a guarantee of a loan of sixty millions of dollars to be borrowed from:

Bank of Montreal
The Royal Bank of Canada
The Canadian Bank of Commerce
The Bank of Nova Scotia
The Dominion Bank
The Bank of Toronto
The Imperial Bank of Canada and
Banque Canadienne Nationale

and to be repaid on or before the 1st day of December, 1938, with interest at the rate of five per centum per annum, payable half-yearly, secured by the deposit with and pledge to the said banks by the said railway company of its perpetual four per cent consolidated debenture stock having a nominal or par value of One Hundred Millions of Dollars.

2. That the amount to be loaned by each of the said several banks to the said railway company is as follows:

Bank of Montreal	$22,444,000
The Royal Bank of Canada	12,280,000
The Canadian Bank of Commerce	10,524,000
The Bank of Nova Scotia	5,180,000
The Dominion Bank	2,808,000
The Bank of Toronto	2,632,000
The Imperial Bank of Canada	2,632,000
Banque Canadienne Nationale	1,500,000
Total	$60,000.000

3. That careful consideration has been given to the request of the said railway company and it appears that the capital obligations and indebtedness payable by the said railway company in the United States of America between the first day of June, 1933, and the first day of December, 1934, amount in the aggregate to $32,788,000. The capital obligations and indebtedness payable in the Dominion of Canada during the same period by the said railway company amount in the aggregate to $27,000,000. Of the said capital obligations and indebtedness of $32,788,000 payable in the United States of America, $2,544,000, part thereof, are payable in either the United States of America or in Great Britain.

4. That the said capital obligations and indebtedness of the said railway company have been incurred in the usual conduct of the business, and it has been the practice of the said railway company to retire its outstanding capital obligations by the sale, from time to time, of its perpetual four per cent consolidated debenture stock, but, under the economic conditions which have prevailed for some time, it has been impossible and is still impossible to sell such perpetual consolidated debenture stock, or any other securities of the said railway company on satisfactory terms, if at all, either in the Dominion of Canada or in the United States of America.

5. That the president of the said railway company recently visited London, England, and has reported that it is impossible to secure permission, under existing economic conditions, to make a public offering of the securities of the said railway company in the United Kingdom; and, apart from the existing governmental prohibition against the sale in the United Kingdom of the securities of private companies or corporations domiciled elsewhere than in the United Kingdom, railway securities (other than domestic) of all kinds are not in demand in the United Kingdom; and, further, that it is not practicable presently to renew the obligations of the said railway company maturing in the United States of America.

6. That after careful investigation it was apparent that the only source from which money could be borrowed by the said railway company to meet its said maturing capital obligations and indebtedness was the chartered banks of Canada, and such banks do not make loans for a period of five years unless they are so adequately secured or guaranteed as to enable the said banks to rediscount or obtain advances on the notes of the borrower and thus render available for the conduct of their ordinary commercial business the whole or such portion of the advances made as may be required; and, under existing economic conditions, with the low level of prices for railway securities, the guarantee of repayment by the Dominion of Canada was necessary if the said loan of $60,000,000 was to be made to the said railway company by the said banks.

7. That the perpetual four per cent consolidated debenture stock of the said railway company is widely distributed in various parts of the world, particularly in the United Kingdom, where the market price thereof has in recent months been as high as 85 per cent of the par value thereof, and, in the opinion of the ministers, failure by the said railway company to pay and discharge its said capital obligations and indebtedness at maturity would create a situation injurious to the credit and financial position of the dominion.

8. That, under the provisions of the Relief Act, 1933, the governor in council is authorized and empowered to loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking, and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements, and generally do all such things as the governor in council may deem necessary and expedient in the public interest; and to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of Canada.

9. That the said railway company is a public corporation carrying on its operations not only in Canada but in other parts of the world; and, in the opinion of the ministers, under present disturbed economic conditions, it is desirable, to prevent default by the said railway company in discharging its said capital obligations and indebtedness as they mature, and in the public interest, to grant the request of the said railway company as a measure for the protection and maintenance of the credit and financial position of Canada.

The ministers, therefore, recommend that the Minister of Finance be authorized and empowered to enter into an agreement with each of the said eight chartered banks, guaranteeing payment to such bank of the sum mentioned

in the said agreement, being the amount loaned or to be loaned by the said bank to the said railway company, as hereinbefore mentioned, with interest at the rate of five per cent per annum, payable half-yearly, in the following general form.

The form is the same in all cases and I do not think it is necessary to take the time to read the form except these words:

The crown hereby guarantees the repayment to the bank at maturity of the whole or the then unpaid balances of the loans made or to be made by the bank to the Canadian Pacific Railway Company.

And in the event of default provision is made for taking possession of the securities.

Mr. POULIOT: Much worse than the Canadian Northern deal.

Mr. BENNETT: The position is this, that the capital expenditures of the railway company, as I have said, had in times past been made and I recall very clearly that they were made in connection with branch line construction because the company had substantial cash surplus balances. They made those expenditures, such as on the Royal York hotel, steamships and so forth, hoping and believing that they could sell their debenture stock. Then came 1930 and the following years and the capital obligations borrowed from banks in Canada and the United States to the extent indicated in the order in council, and having been renewed, when the crisis came again, fell due. The company could do one of two things: should they default or should they not? Some hon. members are familiar with financial transactions in Great Britain and probably know the four per cent perpetual debenture stock of the Canadian Pacific ranks higher than any other security that this country has issued apart from its national securities. This stock is held largely by trustees and family settlements. It is held in the United States; it is held in Canada. What would be the effect upon Canada of default? The government had to consider that question. The president of the railway company went to England. The right hon. gentleman wondered about the delay and and I said that if he had read the document he would see that the fact is that it was put off from time to time in the hope that conditions might clarify in either the United States or Great Britain and an opportunity to sell the securities would arise. The president visited Great Britain at the time I was there and the Minister of Finance (Mr. Rhodes) was there. It was impossible to secure permission to make any issue there and an issue in the United States under the Securities Act was, with the then situation of railroads, also impossible. It must be remembered that the United States has advanced hundreds of millions of dollars under the Reconstruction Finance Corporation from advances made by the nation on borrowings, to its railways, the New York Central, the Pennsylvania and the other great systems of that country. In the light of those facts, we decided to make this grant.

Mr. MACKENZIE KING: The Prime Minister has just said that it was in August that the president of the Canadian Pacific Railway was in England and unable to accomplish what he hoped he might be able to. How does it happen that it was as late as November 29 before the order in council was passed?

Mr. BENNETT: I can easily explain that. The obligations maturing on December 1, it did not become necessary to close out the transaction until then. That is the reason for the order in council being passed on November 29, because the money had to be available on December 1.

Mr. MACKENZIE KING: Were the banks, as early as, say the month of August, given to understand that the government would guarantee the loan?

Mr. BENNETT: The banks were given to understand that if all other efforts failed the company would have to get the money from them and a guarantee would be given.

Mr. MACKENZIE KING: Would that be as early as the month of May?

Mr. BENNETT: My memory is that it would not be May. My memory is that it was much later than that. At any rate, as I have said, my memory is that it was August. The right hon. gentleman speaks of August, and that is my recollection.

Mr. MACKENZIE (Vancouver): He left Canada on July 30.

Mr. BENNETT: Yes, it was July. The hon. member for Vancouver Centre was there at the time. I recall that he sailed on the same ship. At that time it was apparent that the government would guarantee the advance, but the money was not required until December 1, although part of the maturity, I think, had been paid before that date, but the order in council was not passed until November 29, as I have indicated. That was the transaction. If hon. members think the government is censurable for the step it took, it will, of course, have to abide by the con-

sequences. I need hardly say that this action was taken reluctantly. I need hardly say that the closest examination was given to ascertain where these capital obligations had been created and what they represented. It is a matter of satisfaction to believe that within the time limited there will be no liability upon this country. And if there is, the four per cent consolidated debenture stock of the Canadian Pacific Railway Company empowers its holders on default to take possession of the system. It is a very distinctive kind of security, and it was upon that security the banks made their advances in order that if business improves within that time not only might the money be available for commercial purposes by rediscounting, but the fullest opportunity would be given during that period of time for the railway company to readjust its financial position.

The only other matter that remains to be discussed is that having to do with honours and awards. I had not thought that I would take up so much time in my efforts to answer so many matters brought to the attention of the house at the beginning of the session. In view of the fact that it is within a few minutes of six o'clock I would ask your indulgence, Mr. Speaker, and conclude on the matter of honours and awards after recess.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BENNETT: Mr. Speaker, there are two matters I should mention before taking up the question of honours and awards. Yesterday the right hon. gentleman referred to a statement made by me in Montreal upon my return from Great Britain in which I had indicated that Canada could not experiment with hours of labour and rates of pay. What I was dealing with, of course, was the question of export trade, and while I did not at that time, I did later state that the question of hours of labour and compensation and matters of that sort had been settled by a conference called by the League of Nations, and that the provinces had been charged with jurisdiction in that regard.

It has been said that the law has not been enforced by the provinces, and a reference to the order paper will show that it is proposed to ascertain to what extent the laws with respect to hours of labour and compensation have been observed in Canada by the provinces. The extent to which the sweating process may have obtained in the provinces is a matter over which the dominion has no jurisdiction. I endeavoured to point out at some length that experiments could not be practised by a country in our position. The all-important matter to which I did refer, and which does not appear in the report, was that we were a debtor nation, and that while a creditor nation might do almost anything it pleased, being under no necessity to consider matters external to its own country with respect to credit, currency, stability or matters of that kind, the Dominion of Canada, being a debtor country, was compelled by the very nature of things to give consideration to them to an extent other nations did not find necessary. This is true especially of the great republic to the south of us, which is a creditor nation.

I desire also to make some observations with respect to what was said yesterday concerning my remarks in Toronto. I do not think that the right hon. gentleman could have done it purposely, but the fact is that he misrepresented the situation. Although I remained silent while the right hon. gentleman read what I was supposed to have said that evening, upon looking at Toronto journals I find that the statements made in the paper from which he quoted were, as I knew, completely inaccurate. I took the trouble to inquire of one who was sitting not far from me at that gathering as to what had taken place. I did give credit to George Brown for having assisted in bringing about confederation. I said that shortly after confederation he had left Macdonald and then I pointed to the position of the Liberal party led by Mr. Blake, to the building of the Canadian Pacific, and the rounding out of the confederation by extending it to the Pacific slope. I think upon comparison of reports appearing in Toronto papers with that read by the right hon. gentleman it will be seen that an injustice was done to me in that particular. Newspapers having to make summaries quickly, in the very nature of things one who speaks with rapidity, as I usually do, is on the following day likely to find himself reported somewhat at variance with what he said. I fancy the right hon. gentleman himself must have observed that frequently. It is not that the newspaper reporters are not fair, but it is due to the inability to compress into a few sentences an address which may have taken thirty or forty minutes to deliver. I make this observation only because I have always endeavoured to pay full tribute to those who brought about

confederation by yielding their own strong personal convictions to a compromise view in order that confederation might become an accomplished fact. What I have said, and undoubtedly will continue to say so far as I am at present advised, is that those who study dispassionately the history of Canada will realize that it has been the party with which I have the honour to be associated that had to bear responsibility for great national endeavours resulting in bringing to a successful conclusion the federation of the provinces, a national policy, and that ultimately responsibility has usually rested with the Conservative party at times of great crises, such as the great war and other occasions to which references might be made.

Mr. MACKENZIE KING: I hope the Prime Minister has made it evident, and that he is clear in his own mind, that I quoted from an Ottawa paper, exactly as I read it.

Mr. BENNETT: Yes, it was the Ottawa Journal. Not for one moment would I suggest that the right hon. gentleman did not read what was in the paper.

Mr. MACKENZIE KING: I read the article in the first instance in the Ottawa Citizen, and was so astonished that I looked up the Journal report, and found that it was similar. I used the Journal report intentionally so as to do the Prime Minister full justice.

Mr. BENNETT: Undoubtedly it was a Canadian Press dispatch. I took the trouble to look at the reports in the Montreal Star, in the Evening Telegram of Toronto, in the Mail and Empire and in the Toronto Globe. There is a lengthy report in the Globe as to what I said with respect to Mr. Blake. There is also an extended report in the Mail and Empire. It will be observed that the summary is not a fair summary of what I said. In order to make definitely certain I conferred with those who were there and heard my remarks. Not long since I was attacked venomously in one newspaper on the basis of a statement copied from another which was wholly at variance with what had been said. Fortunately I had spoken on the radio, and therefore was able to contradict the statement made in the press. That is one of the reasons radio becomes of extraordinary value, because usually there are people behind it who can take down what may have been said and are able to verify the correctness of summaries.

I believe I have dealt with the matters to which attention was directed by the right hon. gentleman, with the exception of his reference to honours and awards. There is standing on the order paper a resolution in the name of the hon. member for East Hamilton (Mr. Mitchell), the discussion upon which could hardly be anticipated in its entirety. I purpose however to endeavour to indicate to this chamber that the action taken was to save the House of Commons from being unjustly attacked. I will not to-night discuss the question of honours and awards from the standpoint of their desirability; I will only say this, that in all nations there is usually recognition by the state in some form or another of those who render persistent and continuous service to it. It may be a humble service that they render, or it may be a very exalted one. There have been many men and women in all walks of life who have believed that recognition by the head of the state of services rendered is a proper act on the part of the chief executive. Those who remember the life of Nelson will recall his views on that subject. Those who recall the life of Lord Curzon will remember a speech he delivered in the House of Lords complaining of the scanty recognition of his services which, he said, was wholly at variance with the general custom which had been followed. There is in a new democracy a fairly widespread belief that those who make a statement to the effect that they believe in these things are subject to ridicule on the ground that the basis of their belief is a desire to be recognized themselves. That is usually the difficulty in new democracies; it has been so in days gone by. In this very country, from the earliest days of the establishment of responsible government, the crown in the person of the sovereign has granted awards and honours to those who have served the state in whatever capacity they may have served. The fathers of confederation, it will be recalled, were honoured, some being Companions of the Bath, others Knights Commanders, Sir George Cartier ultimately being made a baronet. These are matters of history. It will also be recalled that in 1802 Napoleon established the Legion of Honour, of four grades, and those in this country who wear on the lapel of their coat the insignia of that honour value it very highly. Honours of other countries are conferred upon Canadians as a matter of courtesy. Some of the great nations of the earth have named Canadians for services rendered as vice-consuls or for some particular service that may have been rendered, whatever it may be. There are illustrations of that about us everywhere. The late Chief Justice of Canada and the late Speaker of the House

of Commons were honoured by being made Knights Commanders of St. Gregory the Great. Those who will look at the reports of the Supreme Court of Canada will find the indication of that honour after the name of the late chief justice. These are facts that are known to all of us, as well as within the British Empire, the recognition by the sovereign of those who have rendered signal service—legal, military or naval service, or perhaps for the establishment of a great art building, of which an illustration I have in mind is the Tate gallery in London. You will find many instances in an old country of people who have been ennobled by the sovereign for such services rendered. Whether or not there should be created a claim that is satisfied only by wealth is another matter altogether. Most people believe that any effort to recognize the services only of wealthy persons and to make material positions the criterion of the determination of merit and service to the state is wrong. I am one of them. I believe that every citizen of the British Empire has of right a claim to separate recognition from the crown of services that may have been rendered in any walk of life; I have never hesitated to say so, and I offer no apologies for expressing that view in this chamber. On the other hand, there are those who honestly differ from that view. But it will be borne in mind that no man and no woman receives recognition from the state unless he or she is ready and willing to accept the recognition offered. The right hon. leader of the opposition in 1906 was honoured by his sovereign by being made a Companion of the Order of St. Michael and St. George. There was no reason why the Deputy Minister of Labour, who had rendered signal service with respect to matters of great importance, should not thus have been recognized. Other deputy ministers had been recognized. It would be idle for me to say that I did not believe that one who had served the state for forty-five years and had finally attained to the position of Deputy Minister of the Interior should not upon retirement be recognized by being made a Companion of the Order of St. Michael and St. George. There are other instances that I shall not name. It has been the custom in this country generally and broadly that those who had served the state in positions, shall I say, of great importance, but not in a legislative capacity nor where they had ministerial rank, should be recognized. I think that the late Sir Joseph Pope was one of the most striking instances of that, and there are others of the same kind.

However, there was the view expressed in this country prior to 1919, that the appointments, shall I say, were not such as to commend themselves in all instances to the judgment of the Canadian people. That at least was alleged, and it was of course long believed in this country that there was no place in a new soil such as this for hereditary honours which are largely, if not wholly, indigenous to countries where the law of primogeniture prevails. That has been the experience of the world. Only a few days ago I was reading the debates of the British House of Lords in which the Marquess of Salisbury was dealing with a measure looking to the reform of that body. He pointed out what the hereditary principle had meant, and in addition he said:

> None of us is defending our privileges. But what we do claim is the opportunity to render service to the country in which we live, and the atmosphere that has been created by centuries of tradition, in consequence of the hereditary principle being followed, has enabled this house to exercise a jurisdiction and power and authority denied to any other chamber presently in the world.

That is very true. But the principle should not end there, as he pointed out, and he went on to discuss the matter at further length.

I desire to submit to this chamber a few propositions. The first one is this, that the granting or conferring of honours or distinctions is a prerogative of the crown. One would think it unnecessary to argue the matter, that it might be taken for granted by all, but since doubts are sometimes expressed with respect to that, I shall relieve them all by quoting from Halsbury's Laws of England, second edition, that the crown is the fountain of justice and the source of all honours. That principle has been acted upon for a long, long time; it has been acted upon in theory from the very beginning of our institutions. I quote from Halsbury's Laws of England:

> As all public offices are derived either mediately or immediately from the crown, so the sovereign enjoys the sole right of conferring all titles of honour, dignities, and precedence, and no subject can acquire a new title or dignity except by grant from the crown, unless it be conferred by act of parliament, or acquired by marriage (in case of a female), or obtained by prescription, which, however, presupposes a lost grant.
>
> Titles of honour are conferred either by express grant in the form of letters patent, or by writ of summons in the case of peerages, or by direct corporeal investiture, as in the case of knights.

That being so, we have established I think beyond peradventure that the granting or

conferring of marks of distinction, whatever they may be, by the crown is a prerogative of the crown.

Secondly, what is a prerogative of the crown? It has always been difficult to explain or to define, but in article 511, second edition, volume 6, of Halsbury, it is defined in this way:

> The royal prerogative may be defined as being that preeminence which the sovereign enjoys over and above all other persons by virtue of the common law, but out of its ordinary course, in right of his regal dignity, and comprehends all the special dignities, liberties, privileges, powers, and royalties allowed by the common law to the crown of England.

The third proposition is this, that the prerogative of the crown extends to all parts of the British dominions. It is hardly necessary in this connection to refer to a decision, but there was a decision in the courts in England, and the words of the vice chancellor in 1873 were these:

> I cannot hesitate to say and to decide, that the queen's prerogative is as extensive in New South Wales as it is here, in this county of Middlesex. It has been contended that the title of the crown by forfeiture was confined to this soil—the soil of England. But the queen is as much the queen of New South Wales as she is the queen of England, and I must hold that every right which the queen possessed by forfeiture extended as much to the colonies as to this country.

So I think we have it clearly established that the prerogative extends to this country.

The next question is, how can that prerogative be parted with? Some of those with whom I have discussed this question in days long since past seemed to have the impression that the prerogative of the crown was something operating in favour of the crown or representing something protecting the crown from the people. On the contrary, the prerogative of the crown is usually the bulwark between aggression on the one hand by those who are aggressors and, on the other hand, the rights of the people. That prerogative of the crown is exercisable, as was very properly said yesterday, upon the advice of the ministry of the day. In the king's commission to his governor general in this country, the prerogative of mercy is referred to. It may not be known but is a fact that under the early commissions of governors general of Canada the prerogative of mercy was exercised by the governor general after he had made his own inquiries and without recommendation of his ministry. To-day the prerogative of mercy is exercisable in accordance with the terms of the patent by which His Excellency is appointed. According to his commission that prerogative is exercised on the instructions and advice of his ministers. Hence, from time to time, when the Minister of Justice has indicated, it is our unhappy experience to have these circumstances in connection with capital cases brought before us for decision as to whether the prerogative of mercy shall be exercised on our advice or otherwise. That prerogative of mercy pertaining to the crown by right of kingship is exercised in this country upon the advice of the ministers of the day.

It has been said, and properly so—it is pointed out in Halsbury—that the medium of communication between the sovereign and the ministry is the Prime Minister, and the recommendations made by the Prime Minister to the crown with respect to honours and awards is something that is now well understood. I believe Halsbury points out that the sovereign still retains the exclusive right without reference, although as a matter of fact it is referred to those in whom he has confidence. He has the supreme control over the Order of Merit and the Victorian Order. However, that is entirely beside the question.

In 1902 the late Sir Wilfrid Laurier's order in council, to which reference was made yesterday, frankly recognized that the prerogative of the crown was in existence and that it was operative in the Dominion of Canada. He suggested, as has been later established, that that right or prerogative should be exercised upon the advice of the ministry. As I have said, in this country that is the Prime Minister. In England—to finish the historical side of it—as soon as a government comes into power a committee of the privy council composed of three privy councillors is set up to determine what action shall be taken with respect to recommendations to the sovereign, that is, to decide the adequacy or inadequacy of the award for services rendered and matters of that kind. Lord Macmillan, who was here quite recently, is a member of one committee in Great Britain which deals with these matters. Another committee deals with awards of a different character. A committee of the treasury may make recommendations as to awards and honours that shall be received by the public servants of the country. Since this matter has arisen I think it is well that I should state frankly what the position is in the old country with respect to these matters.

In 1919 a motion was made in this chamber with respect to honours and awards. May I point out that yesterday the right hon. gentleman opposite read from the Winnipeg Tribune and stated that Mr. Bennett had defied parliament. That is the difficulty in connection with these matters. Those who write about them do not take the trouble to ascertain that parliament does not consist of the House of

Commons only; it consists of three estates. For those who may be interested I would point out, as I pointed out during the last session, that section 17 of the British North America Act gives a definition of parliament. It reads:

> There shall be one parliament for Canada, consisting of the Queen, an upper house styled the Senate, and the House of Commons.

Therefore, it follows that parliament is not acting unless all three estates combine. There must be action alike by the Senate, by the Commons and by the Sovereign. We call it the royal assent when dealing with the sovereign's will. The Commons enacts its legislation and the Senate does likewise. It is:

> His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows: . . .

In England it is:

> Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows: . . .

After the Parliament Act was passed in 1911 there was still provision made to provide for that particular case where legislation becomes effective after it has been rejected more than once by the House of Lords. Those of us who are familiar with the development of constitutional practice in this country will recall that when the referendum measure was submitted to the courts of Manitoba it was held to be ultra vires. It went to the privy council and the privy council held that it was an illegal exercise of power on the part of the legislature to act as it did to provide, for making legislation effective by referendum. Otherwise it would have meant that a measure might become law without the two estates of the legislative assembly acting together.

What was done in 1919? It will be observed that the House of Commons passed a resolution, but bear in mind that it was the House of Commons. The operative words of the resolution are:

> —humbly approach Your Majesty praying that Your Majesty hereafter may be graciously pleased to refrain from conferring any titles upon your subjects domiciled or living in Canada,

In other words, it asks the sovereign by resolution of the House of Commons to cease to exercise his prerogative in Canada. That was as ineffective in law as it is possible for any group of words to be. It was not only ineffective but I am sorry to say, it was an affront to the sovereign himself. Every constitutional lawyer, or anyone who has taken the trouble to study this matter realizes that that is what was done. I shall refer presently to the matter in the light of the discussion the other day in the House of Lords.

Let us see how the prerogative can be parted with. The prerogative of mercy stands on exactly the same level as the prerogative with respect to honours and awards. Will anyone in this house say that if this House of Commons passes a resolution asking His Majesty to refrain from the exercise of the prerogative of mercy, it would be effective? The life of an individual may tremble in the balance if the construction placed upon this resolution is the construction to be placed upon the exercise of the prerogative of mercy. There is no difficulty in seeing that when one branch only of the legislature acts there can be no measure passed that will affect any question. That must be the subject matter of legislation and a resolution cannot be law and it cannot be made into law. A resolution of the House of Commons is the pious opinion expressed in form of a majority of a group of gentlemen acting within their legislative power or otherwise. The matter of the prerogative and how it may be taken away is stated so clearly that I shall not do more than make a single observation with respect to it, that is, the only method by which the crown can be deprived of its prerogative is by statute. It must be a very special form of statute. Halsbury says:

> The powers of the crown when acting in association with parliament are unlimited. The king in parliament is the sovereign power in the state. It is for this reason that there is no law which the king in parliament cannot make or unmake, whether relating to the constitution itself or otherwise; there is no necessity, as in states whose constitutions are drawn up in a fixed and rigid form and contained in written documents, for the existence of a judicial body to determine whether any particular legislative act is within the constitutional powers of parliament or not; and laws affecting the constitution itself may be enacted with the same ease, and subject to the same procedure, as ordinary laws.
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> In practice, however, the King now plays a purely formal part in the making of statutes, for, by convention, he has lost the power of refusing his assent to a bill passed by both houses, or in terms of the Parliament Act, 1911, by the House of Commons alone.

Mr. STEWART (Edmonton): Passed by the Commons alone?

Mr. BENNETT: There is special provision with respect to that. The language makes special provision for the terms in which the king is to act. It refers to a measure passed by the Commons on two occasions and then reviewed by the Lords, and there is a special provision under the Parliament Act, to which the king became a party, as I shall

point out in a moment. Let me quote what he says:

> Where the king acts with the cooperation of other persons, those persons are responsible for his acts. If they are wrongful, the king's part in them is disregarded, for it is a maxim of the common law that the king can do no wrong; but the other person who assists him is liable. . . . It is clear therefore that the powers of government are divided. The executive, legislative, and judicial powers are in the main entrusted to different persons and bodies; and the local government is entrusted to another separate set of persons and bodies.

Therefore the judicial, the executive and the legislative bodies must be considered in their relation to the crown, and so far as any act of legislation is concerned, it can be made effective only by the act of both bodies and of the crown. In section 17 of the British North America Act, to which I referred, that provision is made.

I will not do more than try to make it clear beyond peradventure that the only method by which the prerogative of the Crown can be abrogated, curtailed, restricted or lost is entirely by act of Parliament itself, which means, so far as Canada is concerned, not only the king but the Senate and the House of Commons.

Mr. WOODSWORTH: Is the Prime Minister arguing that if both our houses in Canada passed legislation that would restrict the prerogative of the king?

Mr. BENNETT: No. That matter came up the other day in the House of Lords; I had the report but it is not beside me at the moment. I shall have the report presently, when I will deal with that phase of the matter. That is the question as it stood in 1919 when there was enacted the resolution to which I have referred. Now, for the moment, let us see what the courts of England have said with respect to that. Yesterday, in discussing the case of Stockdale and Hansard, the right hon. gentleman said that it occurred in 1839, which is correct; and the decision has never been questioned since. It has been acted upon as sound constitutional law, and the language used is so strong that I venture to bring it to the attention of the house. It was in part referred to by the right hon. gentleman. Lord Chief Justice Denman, delivering an exhaustive judgment in that case, said:

> The House of Commons is not the parliament, but only a coordinate and component part of parliament. The sovereign power can make and unmake laws; but the concurrence of the three legislative estates is necessary; the resolution of any one of them cannot alter the law, or place anyone beyond its control. The proposition is therefore wholly untenable, and abhorrent to the first principles of the constitution of England. . . . Parliament is said to be supreme. I most fully acknowledge its supremacy. It follows, then, as before observed, that neither branch of it is supreme when acting by itself.

Discussing previous cases he cited with approval the decision of the House of Lords:

> That an attempt, in any one branch of the legislature, to suspend the execution of the law, by separately assuming to itself the direction of a discretionary power, which, by an act of parliament, is vested in any body of men to be exercised as they shall deem expedient, is unconstitutional. In both cases the law would be superseded by one assembly; and, however dignified and respectable that body, in whatever degree superior to all temptations of abusing their power, the power claimed is arbitrary and irresponsible, in itself the most monstrous and intolerable of all abuses.

Patteson, J. concurred, and Coleridge, J. used these words:

> As to that part of their answer in which they speak of parliament being able to make that law which was not law, it is plainly beside the question proposed; for it must relate to the power of the three branches of the legislature concurring, and not to any resolutions of any one of them separately, or even of any two of them. . . . It would be easy to put striking instances of this kind; but they may be summed up at once, and without the least exaggeration, in the remark that there is nothing dear to us, our property, liberty, lives or characters, which, if this proposition be true, is not, by the constitution of the country, placed at the mercy of the resolutions of a single branch of the legislature.

The observations of the Lord Chancellor in 1874, when discussing the effect of a resolution of the House of Commons, is reported in the Parliamentary History as follows:

> This plainly proved, that the Commons literally, as to the question then under the consideration of their lordships expressed it, assumed to itself the direction of a discretionary power vested in a body of men to be exercised as they should judge expedient. His Lordship reasoned very forcibly upon this, and said, that had he been a lord of the treasury, even though he had risked the loss of his place, he would not have obeyed the resolution; and his refusal would have proceeded from a consciousness that nothing short of an act of parliament formally passed by the three estates, had the power of suspending either a part of the statute or any part of the common law of the kingdom. He said he would suppose that a power similar to this was lodged in a board of seven commissioners constituted by act of parliament. He should then say, if the House of Commons passed such a resolution, directing those commissioners how to exercise a discretion the law had given them the sole control over, they would act wisely by treating the resolution with contempt and paying it no regard whatsoever.

Bear these words in mind, because they constitute the basis of the action which has been taken. I should like the house to under-

stand that I have as high a regard for the dignity of parliament as any man, but I am also conscious of the fact that the abuse of power, whether with respect to honours and awards or in any other regard, is something against which every sound constitutionalist must raise his voice, because an abuse by the Commons House of Parliament is no less an abuse for the reason that it is done by the elected body and not by the appointed. It might be well always to remember that fact. It was Coleridge, J., who put it so powerfully, in words that have been quoted with approval throughout the years for nearly a century—words that should be constantly in our minds—that if one branch of parliament, by passing a resolution, can either restrict or restrain or amend the law, or change or alter in any respect the provisions of the common law which comprise the prerogative, then, as he said, without the least exaggeration, there is nothing dear to us, our property, our liberty, lives or characters which, if this proposition be true, is not by the constitution of the country placed at the mercy of resolutions of a single branch of the legislature.

Such is not the law of Canada; it has never been the law of Canada; and when this House of Commons passed a resolution asking His Majesty to refrain from exercising his prerogative it attempted to do something which it was wholly powerless to do. I suppose that someone will say, "Why was that not thought of at the time? There were in the house at that time, Mr. Bennett, constitutional lawyers just as good as you." Well, I have learned that in the stress and strain of parliamentary life many things are overlooked. For instance, during my short tenure of office I came across an order in council appointing an administrator following the death of a lieutenant governor. Everyone knows that cannot constitutionally be done; everyone knows that you cannot appoint an administrator when the lieutenant governor dies. But there it was solemnly done and the chief justice was appointed administrator when the lieutenant governor was dead, the appointment reciting that the lieutenant governor was dead and that the chief justice was to remain administrator until a new one was appointed. I fancy it is not stating the position too strongly to say that many people were greatly disgusted with the discussions that took place in connection with that resolution, the circumstances in connection with it, the way in which it was discussed, the lack of, shall I say, control of the situation by the government itself. Look at the language that is used: a prohibition against the sovereign exercising his prerogative. That is all.

I shall point out presently that within the last two weeks when Lord Salisbury was moving his motion in the House of Lords, the question became acute and the Marquess of Reading, one of the most eminent lawyers of his time, gave his opinion as to the proper method to be pursued in dealing with questions of the prerogative. He said that not only did it require the royal assent by statute to destroy the prerogative, but the consent of the crown to the introduction of a measure to do this should first be received; because he realized, as everyone now does, that the prerogative under modern practice where the executive acts under the advice of the administration, is the bulwark of protection for the subject himself. When the matter came up, the question whether Lord Salisbury's bill could be given its first reading until after an address had been passed and leave given him by the crown to introduce it, became acute, and after some discussion Lord Ponsonby of Shulbrede, leading the opposition, opposed the granting of the power. Then the Marquess of Reading took the matter in hand, as did the former Lord Chancellor, Lord Hailsham. When the discussion proceeded, it was found on an examination of precedents that the situation was somewhat different from what had been expected. The Marquess of Reading, as reported on column 594, said:

> My lords, I desire on this point to add a few observations because, owing to the courtesy of the noble lord who has just spoken, I was informed of the course he intended to take and I have devoted such time as was at my disposal to examine the precedents in order that we might see how the matter stands. It cannot be doubted by your lordships that any bill which will affect the prerogative and powers of the crown must receive the royal assent before it is passed in parliament. The question that is raised to-day is of a somewhat different character, as I understand it, and one for which undoubtedly there is very notable precedent—that is, that there should be a motion for an address to the crown for permission to consider the restriction or alteration of the prerogative of the crown. As I understand the precedent there has been much discussion on the subject—not as to the actual existence of the obligation of parliament to have the assent of the crown before a bill is passed; that I assume will be quite beyond dispute. If we consider this bill, which we have not seen but of which we have had some indications in the press, it seems apparent, particularly if it is to follow the lines of former bills, that if passed it would curtail and restrict the prerogative of the crown. First it would prevent the creation of new peers of parliament and it would also limit the right of summoning peers to attend parliament. Therefore it does—and I should think this would not be controverted—affect the prerogative.
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> The question to which I desire to address myself, and to give such information as I can to your lordships upon a subject which affects our

procedure in a vitally important point, is as to whether or not it is essential to have this motion for the royal assent before the bill is introduced, or whether it can be given at any time before the bill is passed. It seems to me so far as I am able to gather from the precedents that that is the true position and that there is some difference of opinion on this subject.

He concluded that as long as the consent was given before the bill was finally passed, that was all that was essential. As reported on column 599, Lord Hailsham uses these words:

> The practice which has been very fully stated is conveniently summarized in the little book to which we sometimes refer, "The Companion to the Standing Orders," in which it is set out that: "The consent of the crown, as distinguished from its assent, is requisite to every bill or amendment to a bill affecting the royal prerogative or the interests of the crown. It may be given at any time during the progress of the bill, which ought not to be allowed to pass if such consent be not given."

It therefore follows, as I pointed out last session, that there are special circumstances which surround the enactment of legislation that deprives the crown of its prerogative. Those special circumstances are that consent must be given through an address to the crown before the bill passes the house. In this instance it will be observed that all that was done was to ask the crown not to exercise its prerogative, the language being that the crown refrain from conferring any titles. In other words, this was placing a prohibition upon the exercise of the prerogative. I submit to this chamber that that is beyond the competence of this body, and in addition, in the language of Lord Reading, it is in itself an affront to the crown. As the crown possesses the prerogative, and as that prerogative can be taken away only by statute after prior consent has been given, to pass a resolution asking the sovereign to place a prohibition upon his own prerogative is in itself, as Lord Reading says, what should not be contemplated for a moment—an affront to the sovereign himself. But that was what was done by this house.

Last year the matter was raised when a question was asked by the hon. member for Laurier-Outremont (Mr. Mercier), to which an answer was given on May 17. The answer I gave was this:

> The promotion of the Right Honourable Sir George Halsey Perley, K.C.M.G., to be an ordinary member of the first class or Knights Grand Cross of the Most Distinguished Order of St. Michael and St. George, was made in conformity with established constitutional practice, it being the considered view of His Majesty's government in Canada that the motion, with respect to honours, adopted on the 22nd day of May, 1919, by a majority vote of the members of the Commons House only of the thirteenth parliament (which was dissolved on the 4th day of October, 1921) is not binding upon His Majesty or His Majesty's government in Canada or the seventeenth parliament of Canada.

There is only one further point to be noted, and that is that later the leader of the opposition asked a question to which I gave the answer that he read yesterday indicating that parliament consists of three estates and that until they combine in action, the prerogative was not affected. This year, recommendations having been made by the Prime Minister for the New Year's honour list, so-called, the names of certain Canadians appeared on that list. That was in the exercise of the prerogative of the sovereign on the recommendation of the Prime Minister. The action is that of the Prime Minister; he must assume the responsibility, and the responsibility too for advising the crown that the resolution passed by the House of Commons was without validity, force or effect with respect to the sovereign's prerogative. That seems to me to be reasonably clear.

I am asked two questions. One is why action of this kind was taken at the time it was in view of the fact that parliament had been called on December 12 for the dispatch of business. I suppose it is unnecessary to say to this house that matters of this kind have, in the nature of things, to be disposed of weeks in advance of the first day of January and long before the 12th day of December had been reached and parliament was called for the dispatch of business, this matter had been acted upon. Everyone who is familiar with the conduct of public business knows that is so. On the second point, namely, as to why, in view of a resolution placed on the order paper, action was taken knowing the matter would be brought up for consideration, I think it is only necessary to point to the resolution itself. The resolution is in these words:

> We, Your Majesty's most dutiful and loyal subjects the House of Commons of Canada, in parliament assembled, humbly approach Your Majesty, praying that Your Majesty hereafter may be graciously pleased to refrain from conferring any titles upon your subjects domiciled or living in Canada, it being always understood that this humble prayer has no reference to professional or vocational appellations conferred in respect to commissions issued by Your Majesty to persons in military or naval services of Canada or to persons engaged in the administration of justice of the dominion.

It will be observed that the only two that received titles were chief justices, the one of Canada and the other of the province of

Quebec, so coming absolutely within the terms of the resolution to be moved by the hon. member for East Hamilton (Mr. Mitchell). In other words his resolution is met in exact terms.

Mr. MITCHELL: I would like to point out that the Prime Minister has misconstrued the intent of the resolution.

Mr. BENNETT: I am only saying how it reads.

Mr. MITCHELL: The right hon. gentleman must recognize that I am at a disadvantage. My impression of the whole discussion, both yesterday and to-day, is that it is out of order in view of the resolution on the order paper.

Mr. BENNETT: As a matter of fact I felt somewhat as the hon. gentleman does, that it is anticipating a discussion that must take place, but as the right hon. leader of opposition proceeded with it, it became my duty to place this statement before the house. I merely say that this resolution as it reads excepts persons engaged in the administration of justice in the dominion, and the only two persons who received titular distinction were the Chief Justice of Canada and the Chief Justice of the province of Quebec. The rest received recognition for services rendered in various walks of life; I will not discuss that now, that may be discussed later, but this I will say, that it could not be said that any of them received titular distinctions, none of them had any title conferred upon them except the two to whom I have referred. I take the view that if it was fit and proper for the right hon. leader of the opposition to become a Companion of the Order of St. Michael and St. George in 1906 it is quite proper for a woman who has devoted fifty years of her life to caring for mothers and children from door to door and establishing homes, to receive recognition by becoming an officer of the Order of the British Empire.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: No title is conferred; no social precedence is given. Our table of precedence, as is noted in the little red book, very clearly and positively says that neither knighthood nor recognition of this kind confers any precedence. That is in the order itself. In this young democracy, believing as we do that there should be just and proper awards for meritorious service given to the state, that there should be recognition of these men and women who toil without thought of reward, who live lives that are honourable and effective and that are in themselves incentives to better citizenship, why should not the head of the state, on the recommendation of whoever happens for the moment to be in charge of the government, recognize their services in some way as an indication that their services have not passed unnoticed? I can say with respect to one of these cases that came to my attention—none of them, fortunately or unfortunately, are people of wealth or money position—a woman working in one of these remote communities where the task is difficult and the conditions bad, said in a letter to a friend—my memory is clear upon it—that on this particular day, worn and tired from caring for the poor and looking after children and mothers, a spirit of great despondency came over her. Was it worth while? Later in the day she said: "As I was sitting at my desk a letter came from the Prime Minister asking me whether I was content that my name might be recommended to the sovereign for recognition of the service which I was carrying on in this remote place. I went to work with renewed vigour; my work had not been in vain, was not unnoticed." There is recognition of the fine service—she did not say that, but I say it—the fine service given to the state. Have we so lost that sense of regard for really effective service, based not on money or the hope of money, as not to be willing to extend some recognition to those who in remote parts of this country thus serve their fellowmen and the state?

Mr. DUFF: Why not recognize the thousands of women who did the same thing?

Mr. BENNETT: It is always so; there must be recognition of individuals on behalf of all. All may not be at once recognized, but those who represent classes, those who represent particular activities in remote sections, are fairly recognized as typical for all.

Mr. DUFF: No, you pick out a few among many.

Mr. BENNETT: All may not be thus recognized, but those who are, bring credit and distinction upon those with whom they are associated. Despite what the right hon. gentleman said, we see in the newspapers that in remote sections of western Canada the people have gathered together from long distances to do honour to one whose services to humanity have been recognized. They did so with no thought of politics, no thought of religion, no thought of race, but with the realization only that here was service worthy

of recognition; they were proud of that service, proud of this woman as representing that great class of women whose magnificent efforts on behalf of humanity had thus been recognized.

Mr. DUFF: But is it only one of thousands. Why not recognize them all?

Mr. SPEAKER: Order.

Mr. BENNETT: That need not be further discussed. I have only to point out that I am informed that in one part of this country at one time there was an effort on the part of the provinces themselves to give such recognition. And in 1927 when we were celebrating the sixtieth anniversary of confederation the right hon. gentleman himself passed an order in council conferring the title of "Honourable" upon all who had been lieutenant governors in any part of Canada and who were then living. What is the difference between conferring the title of "Honourable" on every man who may have been a lieutenant governor, ex post facto, retroactive legislation, and giving recognition to women who toil in remote outposts for the benefit of their kind?

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Here are the words of that order in council, passed on June 30, 1927:

> The Committee of the Privy Council have had before them a report, dated the 29th June, 1927, from the Right Honourable the Prime Minister, submitting that at present it is provided that the lieutenant-governor of each province is to be styled "His Honour" during his term of office only, and it appears that it would be more consistent with the dignity of the representative of the crown in the province that he should be accorded a designation which, once received, he may retain, not only during his term of office, but for life.
>
> The Prime Minister further submits that at this time, when the position of the Governor General has come to be definitely accepted as that of the personal representative of His Majesty the King in the Dominion of Canada, it would be fitting on the occasion of the diamond jubilee of confederation—

Birthday honours, you see.

> —for His Majesty's government in Canada to recognize more appropriately the important place held by the provinces in the Canadian federal system by according to the representatives of the crown in the provinces the designation of "Honourable" for life.
>
> The committee, on the recommendation of the Right Honourable the Prime Minister, therefore advise that hereafter upon assuming office a lieutenant-governor of a province of Canada shall be entitled to the designation "Honourable" and shall be permitted to retain it after his term of office.
>
> The committee, on the same recommendation further advise that lieutenant-governors at present in office or persons who have held the office of lieutenant-governor and are still living, shall, as from July first of this year, be entitled to the designation of "Honourable" for life.

[Mr. Bennett.]

Mr. MACKENZIE KING: May I point out that that order in council was in no way contrary either to the letter or to the spirit of the 1919 resolution of this house.

Mr. BENNETT: I am sure the right hon. gentleman is not serious. It confers the title of "Honourable" upon those who have been lieutenant governors.

Mr. DUFF: Without any reduction in salary!

Mr. BENNETT: It confers the title of "Honourable" upon those who were then in office and upon those thereafter appointed, yet the right hon. gentleman says it does not conflict. He means, I suppose, that it does not give a titular distinction, but it gives the title of "Honourable", or says it does at any rate. The old title, "His Honour", which is referred to as having been abolished, is now superseded by the title for life of "Honourable" with respect to those, past, present and future, who may fill the office of lieutenant governor.

One question more, and it is this: The right hon. gentleman referred to two cases as having some bearing upon this subject. I did not think my memory played me false. One of them was a case in which Mr. Gladstone in 1870 had introduced a bill to abolish purchase in the army, when the bill went to the House of Lords it was opposed and it looked as though it might be defeated, whereupon Mr. Gladstone asked the Queen to sign a warrant abolishing purchase in the army. In other words, in the exercise of her powers, whether as a commander-in-chief or in the exercise of her prerogative, she signed that order, and the acquisition of places in the army by purchase passed out of existence. If anyone can tell me just what relation that has to the present circumstances I shall certainly be obliged. It was a case in which, fearing legislation would not pass, recourse was had to the prerogative. The other case in 1890 had to do with Heligoland. Lord Salisbury was of the opinion that when a part of the British Empire was to be ceded to a foreign power it was desirable to pass a statute so to do. When it reached the House of Commons from the Lords and was up for second reading, the position taken by Mr. Gladstone, was, "This is not the way this business has always been done; it has always been done by treaty, by the prerogative of the sovereign being invoked,

and when the treaty was signed by the sovereign it was laid upon the table of the house, the house in turn either approving or disapproving of it. If it disapproves, the government is beaten, and if it approves, that is the end of it." He made a lengthy speech in which he pointed out that recourse to the prerogative was far better than legislation. The matter was taken up by Mr. Balfour in which he pointed out caustically that it was a new doctrine for Mr. Gladstone and Mr. Harcourt to contend that recourse should be had to the sovereign prerogative instead of legislation by the Commons and the Lords, with the assent of the sovereign. Finally, driven to the position which he had to adopt with respect to it, Mr. Gladstone said, "The reason I do that is this, that if it is a statute we have the Lords to contend with, and if it is done through the exercise of the royal prerogative, we have not." But they proceeded with the statute and passed it in the House of Commons on division. Ultimately it passed through without division on the third reading. What relation all that has to this I do not know; but I put it to every thoughtful man in this house: Can it be said that the exercise of a power by resolution is authority for anything in the world?

Mr. EULER: If instead of requesting the sovereign directly not to exercise its prerogative, the House of Commons had expressed its desire that the Prime Minister himself should not make any recommendation, would the Prime Minister in that case feel himself bound?

Mr. BENNETT: The hon. member is coming to the point I was about to make. Rarely have I found an argument adduced against a position I have taken which so completely supported my position as that taken yesterday by the right hon. gentleman. He argued that this House of Commons is a body from which I derive authority as leader. That is true. But it was not the house of 1919 from which I derived authority; it was not the House of Commons of 1919 which permitted me to stand in this place in the house. This house would be within its constitutional rights if it passed a resolution asking the Prime Minister to make no further recommendations during the life of this parliament for titular distinction of any person domiciled in Canada. As Lord Reading has said, that would be no affront to the sovereign; that would be treating the crown as the crown should be treated. That would be treating the crown as the crown is bound to be treated. The reason I have not stood in my place and asked this House of Commons to rescind the resolution was that I would thereby be indicating that it had some validity. There is no one in this house who does not know, and particularly does this apply to the legal members, that once you accept jurisdiction by attorning to it you cannot question the jurisdiction. And if I had sat in this house and asked for the rescission of that resolution I would thereby have been a party to the acceptance of its validity.

Mr. MACKENZIE (Vancouver): Did the Prime Minister support the resolution of the present Secretary of State (Mr. Cahan) asking the House of Commons to consider the matter?

Mr. BENNETT: Yes, and I am not sure, but I believe I spoke upon it. I was most anxious that it should go to a committee, because the discussion which is taking place here could then have taken place before the committee, and the committee could determine whether or not the resolution should be rescinded. I am perfectly willing that the question as to whether or not there is any validity in this resolution should be referred to any court in the world. There is not only no validity in it, but the resolution itself, in the language of the Marquis of Reading, is an affront to the sovereign. But if to-morrow or the next day or, in fact any day, this House of Commons sees fit to pass a resolution asking the Prime Minister to refrain from making recommendations to the sovereign, the House of Commons is of course within its rights, because it is from the house that the Prime Minister must derive his authority to act. It is one thing to see to it that our actions are buttressed with the authority of precedent, and another thing to act according to the rule of law. It has been a matter of passing comment, as pointed out by an eminent lawyer not long ago, that a resolution of a House of Commons which has long since ceased to be, could not bind future parliaments and future Houses of Commons.

This happened in Australia: Mr. Bavin came into office desiring to recommend that his chief justice be given a knighthood. Recommendations were made to the Secretary of State for the Dominions and the recommendation was so made by the king. The Secretary of State for the Dominions had no hesitancy in saying that he would act upon the recommendations that were made. The power of a mere resolution by this house, if acceded to, would create such a condition that no principle which secures life or liberty would be safe. That is what Judge Coleridge pointed out. It was stated by Mr. Gladstone

in 1870 that the reasonable application of rules was a very important thing. I am putting to this house in the language of Judge Coleridge just what we may expect if we disregard the rule of law which has declared that the prerogative of the sovereign cannot be abrogated, restricted or amended except by act of parliament to which he antecedently consents; and in that lies the safety of the subject, for the prerogative is not of honours and awards alone, but of mercy, of pardon, and of those innumerable things that have grown up in the body of common law in all British countries which protect the life and freedom and the institutions and the liberty of the subject.

Mr. MERCIER (Laurier-Outremont): May I ask whether according to the ordinary rules of parliamentary practice and procedure there was any acknowledgment from the sovereign of the resolution that was submitted to His Majesty?

Mr. BENNETT: My memory is that an acknowledgment of the receipt of the resolution was received by the Duke of Devonshire from the private secretary of the king. I was looking that up to-day. It will be recalled that Mr. Nickle moved that the resolution be engrossed and sent through the governor general to the crown, and it was so sent, and an acknowledgment was sent from the private secretary of the king.

I have traversed this matter at some length. I have put before the house the facts as they are, and if there is any doubt as to the soundness of the legal position that this parliament consists of three estates, I am perfectly content that it should be referred to the supreme court or to any court in the world. When I see the language of an editorial in the Winnipeg Tribune talking of doing away with parliament when only one house was concerned, I realize the confusion that is brought about in the public mind by those endeavouring to speak with authority who have no knowledge of that about which they speak. That difficulty always arises in complex and difficult matters of this kind. Anyone who will read the debate in the House of Lords on December 19, 1933, will there see a clear indication of the principles that underlie the exercise of the prerogative by the sovereign with respect to honours and awards.

I have endeavoured in the action that I have taken to protect this House of Commons and all houses of commons from being charged with having been guilty of an affront to the sovereign. Lord Reading has indicated in his speech the true pathway along which hon. gentlemen may proceed, if they so desire. They may pass a resolution, if they so wish, asking, nay, instructing the Prime Minister by a majority of the chamber that they do not wish any further recommendations to be made. By that I would be bound while leading the Commons House of this Parliament. It is always open for any member of this house to move a vote of censure against the Prime Minister for the recommendations that have been made, and it would not be the first time that matters of this kind have been made the subject of a vote of censure in this house. That privilege lies in this House of Commons. But I do entreat those who are concerned about the maintenance of our institutions, who love our constitutional liberties and realize the extent to which they rest upon the exercise of prerogative, an extent of which some have little understanding because they have not investigated, not for one moment to conclude that the House of Commons by a majority vote in 1919 could divest the sovereign of this empire and of this dominion of the prerogative which he possesses in respect of honours and awards.

Sir, I have trespassed longer upon the time of the house with respect to the speech from the throne and the speech made by the right hon. gentleman than I had ever expected to do again in this chamber. I apologize for having spoken at such length, but I found it incumbent upon me to traverse many of the matters referred to yesterday, and there are some with which I should have liked to deal at even greater length, because in these days it is so easy to make charges and to underestimate the recovery and the spirit of courage and optimism that pervades the Canadian people, and to try to depress them by showing signs of pessimism and reflecting upon the progress of the country. I offer no apologies for having taken time to indicate to this House of Commons the progress we have made and the faith and confidence we have in the future, and I say to those who sit beside me here; let us look forward, let us advance, let us discharge the duties that lie before us with high courage and to the best of our ability.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, in rising to continue the debate on the address in reply to the speech from the throne and the amendment moved by the leader of the opposition (Mr. Mackenzie King), the first duty I have to perform is indeed a pleasant one. May I take this opportunity of congratulating the mover (Mr. Gobeil) and the seconder (Mr. Barber)

upon the efforts which they made in moving and seconding the address? Unfortunately I do not understand the French language; consequently I could follow only a portion of the address of the mover yesterday. I did, however, appreciate the remarks of the hon. member for Fraser Valley (Mr. Barber). Having in mind the fact that he had only a very slim foundation upon which to build a speech, may I congratulate the hon. member upon his efforts?

I should also like to take this opportunity of congratulating the hon. member for Toronto East Centre (Mr. Matthews) upon his elevation to a position in the cabinet. The department over which he presides I am sure he will find a very strenuous one, and I wish him every success in his direction of it.

Before I discuss the speech from the throne I desire to say a few words with regard to a statement that was made by the leader of the opposition yesterday in regard to the former member for Mackenzie, Mr. Milton Campbell. It will be remembered that the leader of the opposition took a great deal of delight out of the fact that in the recent by-elections all the members returned to this house had been Liberals, and speaking of the former member for Mackenzie the right hon. gentleman stated that he was a former Conservative C.C.F. member of this house. I think that that was a very unfair and very unjust statement for the leader of the opposition to make. In the first place the former member for Mackenzie was not a Conservative, and in the second place, so far as I am aware, I am not sure that he ever was a member of an organization affiliated with the C.C.F. Consequently under those circumstances it is indeed unfortunate that the leader of the opposition should have made the statement that he did. As a matter of fact the former member for Mackenzie was elected in 1921 as a Progressive, and in the elections of 1925, 1926 and 1930 he was again returned as a Progressive. So far as I know, he not only entered this house as a Progressive but also left this house as a Progressive.

I wish now to discuss some of the items in the speech from the throne. The very first paragraph in the speech states that Canada is to be congratulated upon her expanding trade, improving revenues, increasing employment and a more confident outlook upon the future. From the figures given by the leader of the opposition yesterday it would appear that this statement in the speech from the throne was not altogether correct, but when we take into consideration the figures, and the further information which the Prime Minister gave to-day, it would appear that there is some doubt as to just where the truth lies.

If there is an improvement in this country no one will appreciate it more than myself. I am not one of those who are imbued with pessimism; I am looking forward to the time when there will be some easing in the situation in so far as the conditions which have existed for the last four years are concerned. But I wish to take exception to the last sentence in this paragraph which states:

> Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Whoever was responsible for the insertion of the word "permanent" in that sentence had no regard for economic conditions as they have existed in the past and as they will exist in the future. So long as the profit system remains there can be no permanent prosperity. It would be well for hon. members of this house to recognize that fact. From the beginning of the industrial era right down to the present time we have had swings of prosperity and of depression. In later years the periods of prosperity have become shorter than on former occasions, while the periods of depression have lengthened. I take exception to that word "permanent," and point out to the house that under the profit system there is no possibility of permanent prosperity. If I have time, I shall return to this point later on in my address.

The next paragraph to which I shall refer is in connection with the prices of agricultural products. It is quite true that these prices have increased somewhat and I am sure that every hon. member appreciates that fact. It is quite evident that so long as the purchasing power of the agriculturist is almost non-existent, other industries and professions cannot attain any great prosperity. Therefore, we hope that this price increase will continue for a considerable time.

I should like to say just a word with regard to the last sentence in this paragraph, which reads:

> You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

So far as agriculture is concerned, I believe that that sentence is the most important one in the whole speech from the throne. For years we in this corner of the chamber have

been advocating that similar action should be taken. Hon. members will recall that two years ago it was proposed to introduce legislation along these lines for the purpose of controlling the marketing of live stock. I do not know whether or not it is correct, but I have been informed that legislation was prepared for that purpose but was not introduced into the house. Under these circumstances may I express my appreciation of the fact that it is proposed to bring down legislation during this session for the purpose stated in this sentence.

Before I proceed further may I direct the attention of the house to the important significance of that sentence. It means that at last Canada is commencing a national planning. Because of things which have occurred during the past four or five years the government is now finding it necessary to begin a national planning in the interests of the Canadian people. While it is only a very small amount of planning that is proposed, at the same time the fact that the government has found it expedient to commence this thing is in my judgment worthy of our notice.

The next paragraph to which I desire to refer is the one dealing with the world monetary and economic conference. As hon. members know, this conference was held in London last summer but I think it is admitted on all sides that that conference was to all intents and purposes a failure. While some slight progress may have been made with regard to the possibility of future conferences, on the whole the conference was a failure. There are good reasons for its failure, and, in my judgment, one is the fact that the countries represented did not take into consideration the real economic factors which underlie the present depression. It was stated in the press that one of the most important functions which the conference undertook was to determine if possible in what commodities there could be a reduction in the volume of production. In my judgment that is not the crux of the situation. Would it not have been better for the conference to recognize the fact that we are now living in the midst of plenty and that the era of scarcity has long since passed? The conference should have given consideration to the distribution of the plenty now available. Just so long as these conferences meet and evade that important question, so long will they continue to be failures.

The next paragraph refers to the appointment of a royal commission to inquire into the banking and monetary system of Canada. Two important recommendations are made by this commission. One is the establishment of a central bank in Canada and the other is that a further investigation should be made into agricultural credits. So far as the central bank is concerned may I remind this house that for the last ten years the group in this corner have been advocating the establishment of such an organization. Almost year after year we have presented resolutions asking that a central bank should be established and now we are hoping, in view of the recommendations of this commission, that that action will be taken. In my judgment the value of this bank to the Canadian people will depend upon the plan of its organization. Under our present banking system the credit of Canada is placed at the disposal of our banking institutions; this has been so ever since the Bank Act came into existence. I believe that if this central bank is properly organized, if it is publicly owned and operated, it can render a great service to the various governments in Canada and at the same time be an important factor in the welfare of the masses of the Canadian people. But should this bank be privately owned, and operated for profit, the service given to Canada as a whole will be almost next to nothing; the profit factor will intervene almost entirely. Of course, I am not in the confidence of the government and I do not know what the Prime Minister and his colleagues have in their minds in this regard. It may be that they intend to have a publicly owned bank to be operated in the public interest. If it is privately owned, and operated in the interests of those who are its shareholders, then I shall be very much disappointed, as I am sure the people of Canada will be. The leader of the opposition (Mr. Mackenzie King), when discussing the central bank yesterday, did not make a declaration of his position in regard to the manner in which the bank will be financed—whether it will be a publicly owned or a privately owned bank. The nearest he came to an explanation was to say that he hoped the bank would be Canadian owned. It is quite true that it may be Canadian owned, and yet it might not render that service which the people would expect a central bank to give. I am not one of those who believe that it is the function of a central bank to lend money to all and sundry, but I do believe that through the efforts that may be put forward, provided the government assume control over the central bank, the monetary and credit situation in this country can be better taken care of than if the bank were privately owned and managed for profit. We shall have to wait and see

what the proposals are in this regard, but I am still hoping that the Prime Minister will rise to the occasion and create a central bank to be publicly owned and operated in the interests of the people, thereby giving some assistance to the masses in Canada.

The next matter in the speech from the throne, to which I wish to refer for a moment or two, is the wheat quota. The Prime Minister this afternoon read a telegram from the premiers of the three prairie provinces. He gave a history of the negotiations, and in this respect he gave the house information which was not before available. When I approach the question of the restriction of production I ask myself first of all whether enough of this commodity is produced to satisfy the needs of all the people who require it. That is the first question I ask myself, and it would appear, from the vast surpluses that exist at the present time, that undoubtedly there is a world surplus of wheat, sufficient to meet all present requirements. Moreover, we have run up against something quite new in the history of western Canada, at least in the last four or five years, for we see that countries that formerly took large quantities of our wheat are now developing their wheat growing areas to such an extent as to be almost self-sustaining. Further than that, they have been giving bonuses, and have been placing restrictions upon wheat importations. That being so, we have to face a new condition, and it is not surprising that the premiers of the three western provinces should intimate to the Prime Minister of Canada that some effort was necessary along these lines in order to bring down the volume of production until such time as some of the surplus had been consumed. That of course is a very important matter.

Going through western Canada I find that this proposal is being received with mixed feelings by the producers. Some are of the opinion that in the administration of this quota preferences may be given internally, and the view has been expressed to me on many occasions that the producers of the west would feel more at ease if the federal government, in conjunction with the provincial governments of the three prairie provinces, would create a central selling agency through which all wheat exported from Canada would be handled, with powers similar to those exercised by the wheat board of 1919.

I am satisfied that the great bulk of the producers would feel more content if such a selling agency were established as soon as possible. I submit to the Prime Minister that he should give further consideration, in consultation with the representatives of the three provincial governments, if he thinks fit, to the necessity of creating a wheat board in this connection, a board with ample powers to deal with the situation.

The next paragraph in the speech from the throne reads:

> Since prorogation, my government, under the authority of The Relief Act, 1933, have continued to assist financially the provinces in the discharge of their constitutional obligations.

That paragraph, to my mind, is more significant than appears on the surface, for it demonstrates that the present economic system has broken down badly. When the federal government has to come to the assistance of provincial governments to enable the provinces to carry out their constitutional obligations, surely we must look for the reason why such assistance is necessary. According to the Prime Minister's statement this afternoon, it has been necessary to give this assistance to the provincial governments in order that they may fulfil their constitutional obligations in providing relief and work for the unemployed, and so on; and this, in my judgment, is ample evidence of the fact that the present economic system had badly broken down. In my judgment, it is not the function of governments to provide food, clothing and shelter for the people. That is the function of the economic system, and when we find that this government, during the time it has been in power, has had to pay something like $130,000,000 towards the provision of relief through the provincial governments and also to assist those governments financially, what more proof is needed to convince anyone who wishes to understand the situation that the system has collapsed almost entirely?

If the present economic system cannot provide the people with food, clothing and shelter, or give them an opportunity for securing these things, then the time has come when we should do more planning than we have done in the past, and should investigate more closely the reasons why the economic system cannot fulfil this function. And wherever it is necessary we should change or strengthen the system so that it might function properly in this regard.

It is not my purpose to take up more time discussing the speech from the throne. I should like to take just a few moments to deal with what I think is the crux of the problem that we have before us, namely, the reason the present economic system is not functioning efficiently. My judgment is that because of the profit nature of the system, the concentration of wealth in this and other countries

has proceeded at such a pace that it is endangering the livelihood of the great mass of the people throughout the world. We have in Canada no figures; in fact we are not permitted by law to secure the figures from the returns made to the income tax branch. Therefore we have to go to another country similarly situated to ours in order to get data which will give us some information on this important question, namely, the concentration of wealth. We have to go to the United States, for instance, to secure such information as is available at the present time. Recently official figures came from there showing that in the opinion of officers in the employment of the United States government, three per cent of the people of that country control 67 per cent of its wealth, leaving only 33 per cent of the wealth to be distributed amongst 97 per cent of its people. I do not know whether we have succeeded in the concentration of wealth to the same extent in Canada. As I have already stated, those figures are not available, but I am satisfied that in that regard we are pretty close behind the United States. This is the crux of the situation as I see it—three per cent of the people of the United States owning 67 per cent of the wealth.

Mr. YOUNG: Did the hon. member say "owning" or "controlling"?

Mr. GARDINER: Owning. That is not all. Let me give the house further information which comes from the United States, because we cannot get similar information in this country. The Comptroller of Currency of the United States government last year made a survey of the banks numbering over 5,000 affiliated with the federal reserve system, including a survey of the deposits in those banks. He found that there were some 30,556,000 depositors in those banks; he found also that the total deposits amounted to $23,542,307,000, but more than that, when he analysed the figures, he found that three and a half per cent of the depositors owned 76·3 per cent of the deposits, showing a very close relationship of deposits in banks to ownership of wealth. If you reduce the three and a half per cent as represented by the depositors to three per cent, you will find that this conforms very closely to the three per cent owning 67 per cent of the wealth of that nation. The point is this, that those who control the wealth of a nation control its purchasing power. This $23,000,000,000 deposited in those banks can be withdrawn at any time to buy anything the owners of those deposits may require, but it will appear that the great bulk of those deposits are the surplus purchasing power of those people, they already having provided for their needs. Inasmuch as there is very little opening to-day for the investment of surplus purchasing power in the form of savings, one can readily understand why it is that this purchasing power, not being used as it has been formerly to provide new plant and equipment, to develop new industries, cannot come into the hands of the people who require the necessary food, clothing and shelter. That being the case, we come to this point that, in my judgment, until such time as there is a redistribution of wealth in Canada and other countries there can be no permanent prosperity for the masses of the people. A redistribution of wealth is essential, and the sooner we make up our minds on that important point, the better it will be for all concerned, not only in Canada but elsewhere.

One thing that struck me, in listening yesterday to the remarks of the leader of the opposition, as a very important omission on his part was this: it will be remembered that he moved an amendment making an addition to the address in reply to the speech from the throne, the amendment being to this effect:

> We respectfully submit to Your Excellency that Your Excellency's present advisers and the official opposition do not possess the confidence of the country.

Mr. MACKENZIE KING: That was not my amendment. May I correct my hon. friend?

Mr. GARDINER: I should have said:

> We respectfully submit to Your Excellency that Your Excellency's advisers do not possess the confidence of the country.

I quite appreciate the fact that I have read an amendment which I may move, but that does not alter what I have to say as to the situation in regard to the leader of the opposition. The right hon. gentleman yesterday afternoon and night spoke for four hours and ten minutes; he was very critical of the administration, but to my mind the outstanding feature was that the leader of the opposition did not give to the house or country any indication what, if he were called upon to form a government, would be the policy of his party.

Mr. MACKENZIE KING: I did not want to take another four hours.

Mr. BOURASSA: Take the time on his amendment.

Mr. GARDINER: If the program of the Liberal party would take four hours to expound, it must be some program. But inasmuch as all that I could take out of his

address as to the policy of the Liberal party was that if they came into power there might be some reduction in tariff duties, and they hoped that the central bank to be created would be Canadian owned. I believe the time is ripe for the people of Canada to demand from all political parties a clear statement as to exactly what their program or platform will be. As I am limited to forty minutes I have not at my disposal the time, for instance, to give an outline of the program of the United Farmers of Alberta; nor have I at my disposal the time to give an outline of the program of the Labour group and other groups affiliated with the Cooperative Commonwealth Federation. I have not the time to discuss the Cooperative Commonwealth Federation platform, but we have given it to the world; it is open to anyone to know what that program is. The program of these different groups is available to all who desire to know exactly what we are aiming at. And that is something of which the people of Canada have no knowledge, as far as the Liberal party is concerned.

Mr. MACKENZIE (Vancouver): What about the three by-elections we have had?

Mr. GARDINER: We appreciate the way the by-elections went, but after all, by-elections are not always a good indication of what the people are thinking.

Mr. MACKENZIE (Vancouver): Fairly good.

Mr. GARDINER: They may be or they may not, therefore I am not disposed to place too much confidence in the results of by-elections. But seeing that my hon. friend the member for Vancouver Centre (Mr. Mackenzie) has raised that point, is it the purpose of the Liberal party to wait and see whether the discontent of the people with the present government is such that that party will be returned to power without committing itself to any program?

Mr. MACKENZIE (Vancouver): The platform of the Liberal party was fully outlined on the 27th of February in this house by the leader of the party.

Mr. STEWART (Leeds): Also in 1919.

Mr. GARDINER: Therefore, Mr. Speaker, I am going to move the amendment I read a few minutes ago. It is as follows, moved by myself, seconded by the hon. member for Winnipeg North Centre (Mr. Woodsworth):

That the amendment be amended by inserting after the word "advisers" the words "and official opposition."

The amendment as amended would then read:

We respectfully submit to Your Excellency that Your Excellency's present advisers and official opposition do not possess the confidence of this house or of the country.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, if the rules of the house permitted, I might be tempted to move a subamendment to the amendment to the amendment, making it a full confession that we have lost all confidence in ourselves, individually and collectively. It may appear a joke, but perhaps it would be nearer to the growing feeling of a large number of people in the country than my friends on either side of the house may think. This may be one of the last utterances of my public life. My remaining days in public, and all my days to come, are few. But suppose this were my last declaration, I may repeat here the advice which was given to me nearly forty years ago when I entered parliament for the first time, by a man who had much experience in public life, that is Sir Wilfrid Laurier, who told me: "Do not fall into the mistake into which most of us parliamentarians fall, of believing that people outside think and feel and react as we do. So long as you are in parliament think of the people outside." I am afraid, Mr. Speaker, and I say this quite seriously, after a good deal of thought and reflection and study of history, both of this country and foreign countries, that the confidence of the people in the power of parliaments and parties composing parliaments, to alleviate the sufferings of the people, is in our day very much shaken. I am no revolutionist by temperament; but I come in contact with the people who suffer, who have suffered for years, who see their children suffering around them, and who are told alternately by the interpreters of one party and the other: "It is the fault of the others; put us in power and we will cure your sufferings." Governments change but the sufferings continue, with the result that the people are beginning to doubt either the will or strength of parliaments and governments and parties to remedy the situation. In older, more civilized and more cultured countries than ours, that struggle is seen. Fascism or bolshevism or communism are not the outcome of an instinct to resort to brute force, but of this desire for a change. That is what brought Mussolini into power in Italy and Hitler into power in Germany. That is what is in a measure threatening the condition of things in France, perhaps the best ordered

country in the world, socially and economically, but where there is a growing feeling of discontent on the part of an increasing number of people of all classes, and decreasing confidence in the power of their institutions to cure their evils.

My purpose in speaking to-night, heaven knows, is not that I believe that I can offer any cure. In the sincerity of my heart, as a Canadian unconnected with political parties —which may be a fault; I am not putting the parties on trial—I am simply stating what I feel; and in doing so I believe I express the thought of a large number of people in all the provinces of Canada. It is this: could there not be a truce between the fighting groups in parliament and outside of parliament in order to try for something other than merely the retention of power or the conquest of power?

Some hon. MEMBERS: Hear, hear.

Mr. BOURASSA: Of course my friends of the Liberal party will claim that they were defeated by an appeal to the feelings of despair of the people, that they were slandered before the people of Canada because they happened to be in power at the beginning of the crisis, and that their opponents must suffer the deserved retribution for what they did in 1930. There is some truth in that. But do they in the bottom of their hearts believe that if they come back into power this year or next, they are by themselves capable, without any moral support from some people outside of their party, either in parliament or out of parliament, of doing any better than their opponents? No, they cannot. I wish to be fair to everyone. I hope I have no enemies in this house. I was a strong fighter in my day, for a short time as a party man and for a long time outside of parties, alternately with and against both parties. But in my growing age I have come to the conclusion that there is more good in each party and every party than their opponents will admit, and sometimes than even their own friends believe. But with the party system, with its traditions of party strife, with the conviction—is it a conviction?—in each party that they must charge their opponents with all the faults and crimes and errors of the past and claim for their party the credit for all that has been done that is good; with that system you cannot expect the growth of a public conscience, intelligent and constructive, and you cannot expect an increase in the confidence of the people.

May I be somewhat personal and address myself to, I shall not say the three leaders of the different parties, but the leader of the government (Mr. Bennett), the leader of the opposition (Mr. Mackenzie King) and the chairman of the new cooperative association? May I say quite frankly that I have much admiration and sympathy for the three of them? The Prime Minister I have known for over twenty years. Were I not afraid of hurting his extreme modesty I would say that I have the deepest admiration for him. I do say, however, quite unreservedly that he is one of the strongest-willed statesmen we have had in Canada. I will go farther and state that he has a clearness of mind, a quickness of thought and a strength of action which has rarely been possessed by any man loaded with the responsibility of office. I give that credit to him with the greatest of pleasure. But, he knows that he is but a man; he knows that. I believe I could state more accurately than many of his fellow members that I fully understand his desire to do his duty by his country. I know he is public-spirited; I know that he gives the best of himself to what he considers to be his task. But I repeat that he is a man, and only a man. If the whole problem was that of maintaining what he calls sound money or of giving to the country an effective administration in matters of finance and commerce I have no hesitation in saying that I do not think he has his equal in Canada at the present time, and has had very few in past days. But the maintenance of the dollar, the development of trade and the increase of our exports and imports, is not the whole problem; he knows that. That is not the whole economic problem—still less the social problem—it is much more than that. When you deal with nations, with communities composed of millions of men, women and children, you have to consider something more than material problems. You have to take into account what Bismarck, a statesman who was never styled as a dreamer or a poet, called the imponderables, without the consideration of which no statesman can rule his country and entertain proper relations with foreign countries. I state to the three leaders that they must take into account the feelings, the needs, the habits, the requirements, not only material but moral and social, of all the elements of the community. In that regard I appeal to the three parties in this house. They consider primarily the interests of the classes they represent, some having at heart the interest of the farmers, others organized labour, others the interests

of the manufacturers. When I refer to that class I am not making any improper insinuation.

There is one class however of which I hear very little, a class which is difficult to count, but which is very important morally, socially and economically. I refer to the small bourgeoisie, as they called it in France, the lower middle class as they called it in England years ago. I was struck with an observation made not long before his death by that highly regretted European statesman, Doctor Stresemann, who unfortunately died too soon for the good of Germany, of Europe and of the world. His remark was this: "The loss that Germany has suffered is not defeat and humiliation; that will pass over. It is not the loss of Alsace and Lorraine; we can make that sacrifice. They have been a source of dispute between French and Germans for centuries. It is not even the loss of Silesia and the building up of the Danzig corridor which separates eastern Prussia from the rest of our country. It is not the loss of land, of men or money; but it is the downfall for generations to come of that humble middle class which have been deprived of savings accumulated during twenty, thirty or forty years." That same class exists here. They are individuals; they are not organized as a class. Therefore they cannot present their views as can the organized farmers, the organized workers, the organized professional men or manufacturers. Nevertheless they constitute the mainstay of the body politic. They contribute their share of direct and indirect taxation to the governments of the provinces and the dominion.

What care has been taken of them during the crisis of the last five years? I will take for example my native city of Montreal, and will appeal for verification to every hon. member representing a constituency of that city. There are to-day on the paupers' list of Montreal men who for twenty, thirty or forty years worked earnestly and honestly as carpenters, plasterers, bricklayers, masons, small contractors and so on. Others were the small employees of large concerns like the Montreal Light, Heat and Power Company, a corporation which has grown tremendously at the expense of both the consuming population of Montreal and its own employees. In the words of my friend to my left, they represent a testimony to the rottenness of our present economic and social system. Some of those small employees, after twenty-five or thirty years, were in a position, like the small traders and labourers, to purchase a piece of land upon which they erected tenements. They lived in one tenement and counted upon the rental of the other one or two so that they might die in peace and leave a small property to their children. Those properties are now empty. The occupants of the tenements pay no rental, yet taxation is being piled up. The owners continue to pay tribute to the electric monopoly of Montreal. Nobody comes to their rescue. They are proprietors, and why? Because they followed for thirty or forty years the laws of God and man; because they were moral and sober, and because they gave an honest day of labour to themselves or to their employers without making use of the threat of a union to claim so much more pay or so many less hours of work. What is the result of their practising for forty or fifty years those social, christian and human virtues? They are disregarded by everybody, because they are not an organized class, and are not represented in parliament. Well, belonging to no party and having no electoral fund to draw from either a trade union or manufacturers' association, I raise this evening my humble voice and ask the Prime Minister and the Minister of Finance to think of those people when they are preparing their budgets. I repeat that while the money question is a big one, and while the increase in trade is of great importance and is in itself a worthy objective, they are not everything.

But, even that is not all. I am quite sure that the three leaders agree on certain things which are not contained in the program of the two old parties but are contained in the program of the Canadian Cooperative Commonwealth. For example, there is the point mentioned by my hon. friend from Acadia (Mr. Gardiner), the better distribution of wealth. Of course, everybody admits in his heart and conscience that it must come, but the question is: how shall it come? Three or four years ago, at the beginning of this crisis, I ventured in this house the opinion that the government should invite men of wealth, bankers and directors of large insurance companies, to think among themselves what they should do to bring about a better equilibrium between the wealthy man and the pauper, between large corporations and the individual; because if they did not do so of their own will, under the guidance—and let it be a strong guidance—of the rulers of the land; if they did not of their own accord help to bring about an economic and social readjustment in this country, it would not be my friend from Winnipeg North Centre (Mr. Woodsworth) who would raise the cry of revolution; it would be raised from Montreal or from Winnipeg or from anywhere; it would come from the crowds of people in the streets.

Was there ever a truer statement than that contained in the famous encyclical of the pope on labour and social questions, that observation which he makes to all rulers—after having denounced communism, after having denounced even socialism as incapable of remedying the evils of the day, after having also denounced the abuses of capitalism, the concentration of wealth and what he calls, quite properly, the economic dictatorship that has taken the place of the public power in most countries,—when he says, addressing himself to the men responsible for the maintenance of law in the countries of the world: "More guilty than the preachers of communism are those who, having received from the people and from God the power to legislate, neglect to make use of their power to correct those abuses out of which revolutions spring up." That happens to have been written by a pope; but I hope that my friends in this house, to whatever creed they may belong, realize that this is not the dictum of the chief of a religion or of a sect. It is the opinion of a man who receives information from the whole world over, who relies upon traditions of order, upon justice and charity, and who appeals to the men who govern in order to make justice prevail in the lands that are confided to their care.

Can that be done by any one party? I do not believe it. I do not believe you can have the strength of public opinion in this country, or in any country, that must be at the back of the necessary measures of reform to curb the power of finance, to liquidate abnormal capital, to distinguish between real capital and false capital, to wipe out what has been stolen from the public and make safer thereby what is legitimate in investment; nor can you bring about a better distribution of the goods necessary to the welfare of the people in such a way that the farmer will get a better price for his produce and the poor devil in the city will not have to pay three times as much to buy food for his family—you cannot, I say, readjust these great questions of economic balance and bring about a better distribution of wealth through the control of capital unless you have a very strong opinion at your back, and unless you can be sure that your opponents will not denounce you as revolutionists or bolshevists. On the other hand you cannot maintain the present state of things by creating the fear of arousing a revolution, without being exposed, and rightly exposed, to the charge that you are making use of power and of a majority to maintain abuses such as have brought revolution in all countries where they have existed.

[Mr. Bourassa.]

Is it two years ago that my right hon. friend the leader of the opposition compared the present state of things to the old feudal system? I felt disposed to tell him then what I say now, that I think that was a slander on the feudal lords; because although some feudal lords abused their power, and although there came a time, of course, when the balance between their privileges and their social obligations was disturbed, yet every privilege that was granted to a high or a small lord under the feudal system was at once a reward for his public services and an inducement for him and his descendants to continue those services. But under the present system the possessors of wealth, the creators of false wealth, especially, those who, like the electric monopoly in Montreal, connected with the Royal Bank and the Montreal Trust, and which exercises upon the city of Montreal and upon all the municipalities within a radius of one hundred miles from that city a domination which no feudal lord ever exercised over his domain—what responsibility do they carry? None. It is an anonymous corporation which has received its power from a government in Quebec, and every time it is attacked it invokes the constitution.

Now I am a friend of the constitution and I stand for its maintenance; but just as I say you will not maintain what is legitimate, I will not say in the capitalistic system, but in the use of capital for the development of industry, by allowing the owners of capital to do whatever they like, neither will you maintain the constitution of Canada by making use of the constitutional argument in the province to say: This is not our business; it is Ottawa's business; nor by us here saying: We cannot interfere because it is a matter that belongs to the province.

The Prime Minister has started on a good path. I was delighted at those two conferences at comparatively short intervals between the federal authority and the provincial. That is a beginning of cooperation. But the Prime Minister of Canada, who has a larger responsibility than the premier of any province, must make them understand quite clearly at those conferences that if this parliament does something to remedy not merely the surface but the real causes of the evil, they must follow suit or he will let the people know where the responsibility lies. It is all very well for purposes of discussion to keep these conferences secret; but when it comes to a decision, if the premier of any province, or the premiers of two or more provinces take upon themselves to block any remedial legislation that may be suggested by the Prime

Minister of Canada or by the premier of any province, then let them take their responsibility and put their objections in writing, and let those objections as well as the resolutions adopted be published, so that the people in each province will know where the responsibility rests.

Some hon. MEMBERS: Hear, hear.

Mr. BOURASSA: There must be cooperation between the federal government and the provincial governments, first, to make the present laws work better than they do. Look at that matter of the coal monopoly. Is it not three or four years ago that the order in council was passed prohibiting the importation of Russian coal? I took the liberty of denouncing it, but I am sorry to say that not one of my Liberal friends supported me publicly in the house, and the reason given to me was that they were afraid that they would be condemned by the bishops of the province of Quebec because the Conservatives of Quebec were claiming for the Prime Minister the title of the saviour of religion. I took the liberty of pointing out that the only religion involved in the case was that of Senator Webster and his monopoly. How long did it take to get action, and how long is this amalgamation of coal companies into one, directly or indirectly, openly or secretly, under Senator Webster to continue? They are making enough profit in a week's time to pay the $10,000 fine which has been imposed upon them. It is the same with the monopolist here as it was with the sellers of contraband whisky in the United States, the pirates on the high seas; they made enough from the sale of their cargoes to be able to stand the loss of one cargo out of ten without impairing their previously ill-gained profits.

If there must be cooperation between organized political powers, federal, provincial and municipal, we cannot expect this parliament to give a general direction to the country at large, to appeal to public conscience, to take strong measures—strong measures are needed, but I shall not discuss them to-night—unless you make sure that upon certain points at least all parties will agree and will not denounce each other. Can that not be done? All parties united during the war to induce Canadians to shed their blood and ruin their country in a foreign quarrel. I shall not discuss that either, but surely the need of assuring the victory of one set of nations in Europe over another was not a greater or more pressing duty on the people of Canada than the assurance of the life of their children and the future of their country. There was understanding and more than cooperation between the two parties at that time. The constitution was overridden and parliament was prolonged in order to carry on the business of war and increase the number of Canadians who would shed their blood upon the battlefields of Europe. Why cannot something of that nature be done in order to save our country and preserve the lives of some of our boys? Cannot the parties cooperate in order to remedy some of the economic and financial disasters which arose from that war? It is not only the huge war debt of $2,500,000,000 which we are transmitting to our children without having paid one cent, but think of the debts piled up by the provinces, by the municipalities and by the corporations, all because of the folly of the war. I was glad to hear the Prime Minister denounce this afternoon the mistake we made when we sold our wheat at higher prices than it was worth. I came back from Europe in 1922 and advised my friends, some from the west, that a crisis was coming, that the people of Europe would not be foolish enough to go on paying tribute to us to the extent of two or three dollars per bushel of wheat, and the same proportion in the case of other commodities. I told them that those countries were preparing not only to supply their own needs but if possible to make us pay back some of the ill-gained profits which were derived by us during the war.

I am an old timer and a believer in old things. I believe in the law of permanent justice administered by an all-providing God rather than in the laws of a short-thinking humanity. The crimes of one generation are always expiated by the next. That may seem cruel, but it is one of the mysteries of life. I do not ask the adhesion of anyone to my views. I respect the views of all those who thought that we were right in entering the war; but whether we approve or disapprove of that war, there is one thing sure, the contribution of Canada was imposed upon our people without, as the Prime Minister has said, their realizing what the consequences would be. They are now reaping the results. Are we not to do something in the way of cooperation between men of good will in this parliament to remedy some of these dire results? I do not ask you to break the bonds of party; I do not ask you to renounce your fealty to any of your leaders or to any of your ideals; I simply ask you if you do not have sufficient breadth in your minds and sentiment in your hearts as Canadians to look for what is common to all of you. Even at my age I am optimist enough to believe

that there is more good in the hearts and brains of all of you than would seem to appear at times. You should try to look for what is best instead of always rehashing old quarrels, old wrangles and old charges. Instead of accusing each other of all the crimes and errors of the past, you should try to find out some means to adjust the present and prepare a better future for the generations to come. If you did that I think you would have accomplished your duty as representatives of the people of Canada to a greater extent than by settling, resettling and never settling old scores.

I present these views with the fullest amity and from the simpleness of my heart. My days have passed, but in my younger days I appealed frequently to those who were also young and full of enthusiasm. My youth is gone, my health is failing; but there is something here which remains youthful because it is eternal, that is, the belief in duty to God, in duty to country and in duty to humanity. By humanity I mean all the people of this country, whether they be Grits or Tories, Catholics or Protestants, Jews, Mohammedans or unbelievers; I mean all the men and women who are gathered in this land under the emblem of the British crown. They are under the immediate care, tutelage and responsibility of this parliament. If we fail in our duty in these present circumstances, the memory of us as a body and perhaps as individuals will be cursed by generations to come. We shall be cursed, not for any crime that has been committed by either party, but perhaps for what might be termed the greatest crime of all, that is, the failure to accomplish one's duty at a time when it should be accomplished. That time is upon us. Our duty is not to squander money, it is not to pile up debts or to maintain a certain number of people without work, including those who do not want to work; as the hon. member for Acadia (Mr. Gardiner) says, it is to try to get to the root and remedy the deep-seated causes of the evil.

I turn now to my friends to my left. They are full of hope. They are a new group with a new program. Let us be frank and admit that there is much in them which is good. I commend this one thing to my young Conservative friends from Quebec: Cease the campaign of slander which has been carried on by calling these men the agents of Moscow. Do you know what you are going to get from such a practice? When the people begin to read, and there are people in Quebec who do read; when they find out that there is so much good in that platform, they will draw the conclusion—they have the logical French mind—that if that is Moscow, then Moscow is not so bad. When you slander an opponent by tacking upon his program or his name or his person something of ill repute coming from a man or party that cannot be reached, the people make a simple application and conclude that the men you denounce or the men with whom you compare them are not so bad as you claim. I give you that advice.

To my Liberal friends in the province of Quebec I give this further advice: Do not raise your hands in horror and say, "Oh no, we have nothing in common with these men from the west, these semi-bolsheviks and quarter-communists." Of course, I would not answer for all of them, I can tell you quite frankly. I no longer answer for any public man or party; I have enough to do answering for myself. But suppose there are among them men of advanced views. Are you prepared to say that there is no one in your party who does not hold some wrong views on some things? When you make use of the pope's encyclical to denounce the C.C.F., why do you not read that part of it which denounces the system that has been built up, maintained and protected by the two great historic parties since confederation? If you do, you will find in the pope's encyclical as much against our social and economic system as there is against communism and socialism. Let us admit that there is much good in the program of the C.C.F., and let my hon. friends of the C.C.F. realize that they cannot expect to have their whole program swallowed by all the people of Canada. There must be give and take between men and parties: only by so doing can we hope to settle our difficulties. Surely we could agree upon some measures to control finance. As regards the central bank, can we not come to some agreement, I will not say to repudiate debts, but to deal with them in such a way that they will be attenuated, so to speak, debts both public and semi-public. Whatever more in the way of trade we do with New Zealand and England will not counteract the tremendous fact that less than eleven million people in Canada bear to-day a public and semi-public debt, including in this the debt of corporations, religious and civil, of over ten billion dollars. Do you realize what that means for a country like Canada which, as the Prime Minister said this afternoon, has no accumulated wealth? It is all very well to talk about natural resources. I remember the observation of a sensible old Londoner who gave a bit of advice to a new statesman coming from Canada to address the people in England. He asked this old Englishman what he would advise him to say in order to be agree-

able. The Englishman replied, "I don't know, but I would offer you this bit of advice at any rate: Don't talk of Canada's natural resources, because we have heard so much about them, and they have cost us some money."

This is probably the last session of this parliament before the electoral wrangle takes place, and hon. gentlemen will go back to their constituents and appeal to party spirit and try to make the best they can of their party's cause. I submit that neither party would endanger its chances of victory by making some concessions, by trying to create an operating understanding among all parties with regard to a few questions, because thereby they would enhance the confidence of the people in the sincerity of each group, and also do something to restore, what is badly needed, the faith of the people in our parliamentary institutions and in parliamentary government. For I can tell you that it is going down and down and down quite rapidly. Denunciation of this group may bring victory to one party or the other once or twice; but if this group is ever victorious, if a group which might be, from the point of view of the other parties, worse than this group, ever takes its place, it will be because of the failure of the old parties to realize their responsibility to the people of Canada, to their own members, and to their friends and supporters.

Mr. F. W. GERSHAW (Medicine Hat): In the few moments that remain before eleven o'clock I desire to bring to the attention of the house some problems that are of particular interest to the district whence I come. I wish first of all to congratulate the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address on the splendid speeches which they made in opening this debate. I have had the pleasure of knowing the seconder of the debate for many years and it is all the more pleasing to congratulate him.

All through the west, particularly in the district from which I come, there are people who have suffered greatly from the conditions in which they now find themselves. They have borne their troubles with a brave spirit and have carried on in spite of great difficulties. But debt and despondency are facing them. In many places the crops have been a failure; in some sections they have failed three and four years in succession. These people are therefore at the present time in desperate straits. Their gardens failed to grow; fodder was not available, and their live stock are dying from the hard winter. It is true that relief is being given, and in most instances the bare necessities of life are being supplied; but in a general way the condition is most unfortunate and many are discouraged. Even where crops did grow, the low prices which have been received have not covered the actual out-of-pocket costs of production. The people are asking themselves this question: How can we continue to sell cattle at 2, 3 and 3½ cents a pound when it costs us 5 cents a pound to produce them?

The speech from the throne indicates that some marketing board will be established, and therefore we shall have another opportunity of discussing the whole problem of the marketing of cattle. The cattle industry is one of the oldest of which we have any record. All down through the ages it has been the chief occupation of mankind, and in Alberta it is still an industry that holds out great hope, with a future probably greater than that of the wheat industry, especially in the southern parts of the province. Yet we find that these large ranchers, who have had vision, who have struggled along year in and year out, meeting conditions as they have come, are now on the verge of bankruptcy because of the low prices they are receiving. When the price of beef was 7, 8 and 9 cents a pound there were certain transportation charges that had to be met; and now that the price is as low as 1½ cents, sometimes 2 and 3 cents, we find practically the same charges. The same freight rates are in existence; the same loading charges, the same stockyard charges, the same insurance charges, and so on, that existed previously exist to-day. The same high price must be paid for hay in the terminals, and altogether these expenses are so great that the returns from carloads of fine steers have been as low as one and one-half cents and one and one-quarter cents per pound live weight. These things tend to discourage those ranchers who have become famous for their hospitality, vision, and hard-working ability.

We have heard a great deal about wheat and the people are asking the same question in regard to it. How, they say, can we continue to grow wheat at from 40 to 45 cents a bushel when it is costing us at least 60 cents a bushel to produce it. During the last few days we have heard a good deal about the wheat situation in Europe, and although it does not hold out much hope, we must look forward with the expectation that the price of wheat will meet production costs, because we cannot to any great extent turn our farms into producing any other article of food or use them for any other purposes. With the spirit that is abroad, it is no wonder that the people in the west are turning toward state ownership, communism; that they are looking

with anxious eyes toward the Douglas system, inflation, bimetallism and many other isms. They are groping around expecting to find some solution, some system which will improve the standard of living.

I want to speak for just a few moments on an industry which I discussed before in this house, and that is the beet sugar industry. On February 24, 1932, I had the honour of introducing in the house a resolution dealing with the beet sugar industry. At that time I pointed out that it was one which would be a great help to the people of western Canada. The hon. member for Lethbridge (Mr. Stewart) also spoke on this question, because he has within his constituency a beet sugar factory. We pointed out that in Canada only 10 per cent of the raw material used for the manufacture of sugar was home grown, whereas in the United States the percentage was from 20 to 25 per cent and in the mother country also from 20 to 25 per cent. We pointed out that the establishment of a beet sugar factory would be a great help to the district in which it would be located, because it would mean the employment of a number of people, would provide traffic for the transportation companies and would consume a great deal of material, thus creating a market for the dealers in and manufacturers of that material. We pointed out also that the valuable by-products would help other secondary industries and that the cattle industry would be greatly benefited thereby.

This resolution was amended in such a way as to have the matter referred to a committee of this house, and the agriculture committee dealt very thoroughly with the question. They called before them witnesses from every part of the country. These witnesses stated that sugar beets constituted a very profitable crop; they pointed out that it was of great value in the rotation of crops, and they gave much information regarding this industry in Canada. Among the men who appeared before the committee were:

H. Marshall, Bureau of Statistics, Ottawa.

Doctor T. W. Grindley, Bureau of Statistics, Ottawa.

W. R. Reek, Director of Experimental Farms, Ridgetown, Ontario.

Thomas Simpson, farmer, Pretoria, Ontario.

G. L. Rogers, President, British Columbia Sugar Refining Company, Vancouver.

B. R. McMullen, Alberta Beet Growers' Association.

Charles Houston, President, Canada and Dominion Sugar Company, Limited, Chatham, Ontario.

Alexander W. McIntyre, Canada and Dominion Sugar Company, Limited, Chatham, Ontario.

W. F. Russell, Alberta Beet Growers' Association.

[Mr. Gershaw.]

Day after day these witnesses were examined; the whole question was thoroughly discussed, and I should like to say that the discussion was watched with great interest by hundreds of people who had located on irrigated farms, who had tried year after year to make their overhead costs and who had failed owing to the collapse of prices. It was watched by people who had some hope that they would be able to produce sugar beets, a crop of high acreage value, and in that way be able to meet their overhead on their irrigated farms. They have been rather disappointed. The report of the committee came into the house on April 1, 1932, and I should like briefly to indicate its nature. It was in part as follows:

The evidence submitted established the following facts regarding the industry:

1. That the production of sugar beets has been carried on very profitably in certain districts of Ontario and Alberta.

The amount paid to the farmers for beets in 1931 was about $2,500,000; during the period of normal commodity prices for farm products, an average price of $7.48 per ton was paid to the farmers for sugar beets, but owing to the present low price of raw cane and refined sugar, the factories claim that they are unable to guarantee more than $5 per ton for the 1932 crop.

2. That large additional areas, suitable for the growth of sugar beets, are available in Canada.

3. That during the past ten years the annual average production of refined sugar in Canada was 963,000,000 pounds; the percentage of beet sugar production has varied from 6.2 per cent in 1926 to approximately 10 per cent in 1930 and 1931.

4. That the sugar beet factories at Chatham, Wallaceburg and Raymond, are now operating at full capacity, and that no further development of the beet sugar industry in Canada is possible until manufacturing capacity is increased.

5. That world stocks of sugar on hand are very large and that an extended surplus of some 4,000,000 tons will be carried over to next year.

6. That there is sufficient capacity in the cane sugar refineries of Canada to refine two and one half times the amount of sugar necessary to meet the demands of the Canadian consumers.

7. That the granting of bonuses or subsidies at present to encourage the production of sugar from beets was not favoured by the representatives of the growers or the refiners.

8. That the consumption of sugar from Winnipeg to British Columbia is approximately 255,000,000 pounds, supplied from eastern Canada as far westward as the Brandon district, and from Vancouver eastward to the Brandon district, except for the 30,000,000 pounds of beet sugar manufactured at Raymond, Alberta.

9. That freight rates on sugar from Raymond to prairie points are from one-half to three-quarters of a cent per pound less than rates to similar points from Vancouver or Montreal.

Summing up, they say:

Your committee therefore recommend that in view of the existing tariff on sugar and in consideration of the substantial payments being made to agriculture and labour by the beet sugar factories at present in operation, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar in Canada, and that, with the additional advantages in freight rates to points in the middle west, heretofore described, factory facilities should now be steadily increased in western areas where beets are grown, thereby making it possible to produce from beets a more substantial percentage of the sugar consumption of Canada.

Your committee further recommends that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end.

That was the report, Mr. Speaker, about two years ago. Since then, of course, times have been unusual, but so far as we have been able to understand, nothing has yet been done to carry out that recommendation, which passed this house unanimously. I think that the government should give this matter their immediate attention, in the hope and expectation of doing something to ameliorate the desperate conditions that exist in that part of the country. Money spent by the beet sugar factory is spread over a wide area and goes into many hands. The factory at Raymond spends something like $630,000 a year in the purchase of beets and another $665,000 for supplies, freight and labour. The chief item of cost is fuel, and if the factory could be established in Medicine Hat where natural gas is available that item of cost would be much less. I wanted to bring these facts to the attention of the government and the house because I believe that something can be done which will bring joy and satisfaction to a great many people on these irrigated farms. True, someone has said that there is a great overproduction of sugar throughout the world, but that obtains in respect to other articles as well. There seems to be over-production of wheat, yet we find the nations of Europe using their lands to produce wheat when they might use them for other purposes. We cannot do that to any great extent, but I do feel that if some encouragement were given to the industry, some tariff adjustments made to force the refineries to expand their plants according to the spirit of this report, much good would be accomplished.

We have taken this matter up with some of the refiners, with Mr. Rogers in particular. He points out that he has no intention of expanding refining capacity at the present time, and although the report was published in this form, no arrangement has been made to decide which refineries shall take charge of certain areas. I wish to close by expressing the hope that the government will find time to review this whole problem, and will be able to give some hope of relief to the people concerned.

On motion of Mr. Stewart (Edmonton) the debate was adjourned.

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

Wednesday, January 31, 1934

The house met at three o'clock.

CRIMINAL CODE AMENDMENT

Mr. A. U. G. BURY (East Edmonton) moved for leave to introduce Bill No. 5, to amend the criminal code.

Some hon. MEMBERS: Explain.

Mr. BURY: The purpose of the bill is to make two amendments in section 750 of the criminal code, in Part XV, in connection with summary convictions.

The first amendment is to extend to those who have been convicted and sentenced to a fine without imprisonment on default the same rights as are now under the code extended to those who have been convicted and sentenced to imprisonment without a fine, and to those who have been convicted and sentenced to a fine and, in default of payment, imprisonment, both of which classes on appeal can enter into a recognizance and remain at liberty until their appeal comes on. In the case of a man convicted and sentenced to a fine without imprisonment on default there is no such provision, and he must pay his fine and costs in full before he can appeal. The purpose of the amendment is to extend to him the same privilege as is granted already to the two classes first mentioned.

The other amendment is intended to preserve to a convicted person the right of appeal notwithstanding his having failed to indicate an intention of appealing after his conviction. As the law now stands if a man convicted and sentenced pays his fine, and then later within the time limit specified by the code, files his notice of appeal, he may be and sometimes is met at the court of appeal with the objection that he has waived his right of appeal by paying his fine without then indi-

cating an intention to appeal. The purpose of the amendment is to preserve the right of appeal during the time provided under the code for the filing of the notice.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ST. LAWRENCE SHIP CHANNEL

Mr. MERCIER (Laurier-Outremont):

1. Has the government or any of its representatives had any representations made it or them, or has it or they held or had any interviews or meetings with representatives of the city of Montreal, or of the Montreal board of trade, or of other bodies, having reference to a forty foot channel below the port of Montreal?
2. If so: (a) what were such bodies; (b) what was the answer given?

Mr. BENNETT: With respect to this question the hon. Minister of Marine indicated the other day that an answer would be given later. It would be difficult to answer the question exactly by a written reply for the reason that representatives from several bodies in Montreal saw the minister and other representatives of other bodies saw me, and the answer therefore would be that representatives of various bodies of Montreal saw various members of the government with respect to the improvement of the channel below the port of Montreal. One body, for instance, which sent representatives was the chamber of commerce, and another, the board of trade. The answer given was that departmental engineers would collect all the available information and make a report in due course as to what, if any, action could be taken to provide a deeper channel than that now existing between the port of Montreal and the sea.

Mr. MERCIER (Laurier-Outremont): In view of the fact that a committee of departmental employees has been named a commission to study this question I am quite satisfied with the answer of the right hon. gentleman.

DUTY ON IMPORTED MERCHANDISE

Mr. BLAIR:

1. What were the declared values of merchandise imported into Canada during 1931, 1932, 1933, and 1934, to date, by: (a) The T. Eaton Company, Limited; (b) The Robert Simpson Company, Limited; (c) Hudson's Bay Company?

[Mr. Bury.]

2. What amount of duties and imposts were paid upon such importations during each of above-mentioned periods either by the consignee or consignors?

Mr. MATTHEWS: In answer to parts 1 and 2 of this question I would say that it is contrary to the established practice of the Department of National Revenue to give information which would disclose the business of an individual or corporation.

Mr. SPEAKER: Dropped.

IMMIGRATION IN 1933

Mr. LUCHKOVICH:

1. How many immigrants entered Canada in 1933?
2. What was their racial origin?
3. How many immigrants were deported in 1933, and what was their racial origin?

Mr. GORDON:

1. 14,382.
2. Statement attached.
3.

Statement of Immigration to Canada, by Origins, for the Calendar Year 1933

British—	
English	1,412
Irish	278
Scotch	561
Welsh	53
Total	2,304
From the United States	8,500
Northern European races—	
Belgian	26
Danish	46
Dutch	25
Finnish	45
French	76
German	389
Norwegian	29
Swedish	13
Swiss	21
Total	670
Other races—	
Armenian	7
Bulgarian	12
Chinese	1
Croatian	102
Czech	52
East Indian	35
Esthonian	1
Greek	29
Hebrew	420
Italian	253
Japanese	106
Jugo-Slav	65
Lettish	3

Other races—Concluded	
Lithuanian	42
Magyar	484
Negro	16
Polish	360
Portuguese	1
Roumanian	27
Russian	63
Ruthenian	378
Serbian	25
Slovak	400
Spanish	7
Spanish American	4
Syrian	13
Turkish	2
Total	2,908
Grand total	14,382

Statement of Deportations from Canada, showing Country Deported to, for the Calendar Year 1933

Austria	25
Belgium	9
British—	
England	1,309
Ireland, Northern	218
Ireland, Free State	53
Scotland	840
Wales	194
Australia	15
Bermuda	8
British West Indies	4
British Guiana	2
East Indian (India)	2
Lesser British Isles	10
Newfoundland	23
New Zealand	3
South Africa	3
Bulgaria	14
China	91
Czecho-Slovakia	114
Ecuador	1
Egypt	2
Esthonia	4
Finland	258
France	6
Germany	160
Greece	7
Haiti	1
Holland	32
Hungary	101
Italy	13
Japan	27
Jugo-Slavia	113
Korea	1
Lithuania	19
Luxemburg	1
Malta	1
Poland	318
Portugal	1
Roumania	159
Russia	12
Scandinavian—	
Denmark	70
Iceland	2
Norway	44
Sweden	76
Spain	6
St. Pierre and Miquelon	2
Switzerland	13
Syria	1
Ocean Port totals	4,388
United States citizens	291
Grand totals	4,679

EXPORTS TO CHINA AND JAPAN

Mr. LUCHKOVICH:

1. What was the value of Canada's exports to China and Japan in 1920 and 1929?
2. What was the value of imports from the above countries in 1920 and 1929?

Mr. STEVENS:

1. Canada's domestic exports to China and Japan for the fiscal years 1920 and 1929, were:

Exports to—	1920	1929
China	$ 6,665,805	$24,242,507
Japan	7,732,514	42,099,968

2. Canada's imports from the above countries for the fiscal years 1920 and 1929, were:

Imports from—	1920	1929
China	$ 1,205,229	$ 3,095,296
Japan	13,637,287	12,921,317

QUESTIONS PASSED AS ORDERS FOR RETURNS

JAPANESE AND CHINESE IMMIGRATION

Mr. LUCHKOVICH:

1. How many Japanese entered Canada from 1925 to 1934, and how many Chinese entered Canada during the same period?
2. What are the immigration restrictions with regard to Japanese and Chinese?
3. What is the Chinese and Japanese population of Canada?
4. What is the position of the Japanese and Chinese in Canada in regard to the franchise?

PAYMENTS TO KILMER, IRVING AND DAVIS

Mr. BLAIR:

1. What sums were paid for legal fees, and for what services rendered to any department of the government since September, 1927, to the firm of Kilmer, Irving and Davis of Toronto?
2. Who are now, or were the members of the firm during that time?
3. What other law firms of lawyers resident in Ontario have received fees from the Dominion government, and in what amounts, since 1927?

MOTIONS FOR PAPERS

SHIPPEGAN, N.B., WHARF

Mr. VENIOT:

For a copy of all correspondence, tenders and other documents, relating to a call for tenders for work on Shippegan wharf, Gloucester county, New Brunswick.

SHIPPEGAN, N.B., SUB-COLLECTOR OF CUSTOMS

Mr. VENIOT:

For a copy of all applications, correspondence, and the report of the Civil Service Commission, relating to the appointment of sub-collector of customs at the outport of Shippegan, Gloucester county, New Brunswick.

ANSE AUX CANARDS RIVER—CONSTRUCTION

Mr. BRASSET:

For a copy of pay lists and other documents, in connection with work done at Anse aux Canards river, Gaspe county, since August, 1930.

GRANDE ENTRÉ, QUE., CONSTRUCTION WORKS

Mr. BRASSET:

For a return showing a copy of all pay rolls and amounts of money disbursed, in connection with the work done by the Department of Public Works at Grande Entrée, Gaspe county, from July 30, 1930, to the present date.

HÂVRE AUX MAISONS, QUE., CONSTRUCTION

Mr. BRASSET:

For a return showing a copy of all pay rolls and accounts which have been paid by the Department of Public Works in the municipality of Havre aux Maisons, Iles de la Madeleine, from July 30, 1930, to the present date.

L'ECHOURIE, QUE., LIGHTHOUSE WATCHMAN

Mr. BRASSET:

For a copy of all declarations, affidavits, telegrams and other correspondence, in connection with the dismissal of Gregoire Lafrance, of Pointe Basse, Iles de la Madeleine, as watchman of the light-house at l'Echourie, Iles de la Madeleine, and also relative to the appointment of his successor.

WHEAT AGREEMENT

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before we proceed with the order of notices of motion, with the permission of the house I should like to lay upon the table two copies, one in English and one in French, of the World Wheat Problem and the London Agreement. This document was mentioned yesterday as having been circulated in western Canada to the governments of the western provinces.

[Mr. Blair.]

GUARANTEES TO BANKS

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, in answer to a question asked yesterday, I should like to intimate to the right hon. the leader of the Opposition (Mr. Mackenzie King) as to when the banks were made aware of the guarantees. He suggested it was in the month of August and I promised I would look it up. The truth is that while the government did not negotiate with the banks, the information to which reference was made was given before I left this country in June, that is, that if the securities could not be sold, the guarantee would be given.

CREDIT AND FINANCE

NATIONAL SYSTEM OF CONTROL UNDER JURISDICTION OF FEDERAL PARLIAMENT

Mr. W. T. LUCAS (Camrose) moved:

Whereas, the provision of an adequate medium of exchange through the issue and control of currency, is a function inherent in the state, and one which is wholly within the jurisdiction of the federal parliament, and

Whereas, the transfer of this function to private interests to be used as a means of profit, rather than as a public service, has enabled those controlling finance to dominate every phase in the industrial and economic life of the nation, and

Whereas, the depressed and chaotic conditions which now prevail would indicate that this financial control, as at present exercised has proved itself detrimental to the best interests of the people of this country;

Therefore be it resolved, that, in the opinion of this house, the government should give immediate consideration to the reassumption of this responsibility, and the creation of a national system of credit and finance, to be controlled in the interests of all the people, and under the jurisdiction of the federal parliament.

He said: Mr. Speaker, never in the history of Canada and perhaps never in the history of the world has the money question been so widely and freely discussed as at the present time. After the financial collapse and the disclosures which have been made in the last few years, the people are no longer willing to allow the bankers and financiers to do their thinking for them. They are asking themselves this very simple question: Why is it that having the raw materials, the men, the machines and the power to produce in superabundance, we cannot make use of the things we can and do produce? The answer is becoming obvious. It is because of an outworn, man-made, privately controlled money system. Nothing else stands in the way. I want to say to this

house and to the Canadian people that among the multitudinous questions which confront them at the present time there is none of such transcendent importance as that which is to be decided by the resolution now under consideration. The question to be decided is: Are the Canadian people to have national sovereignty over their money system, their medium of exchange? In a recent message to congress President Roosevelt made this statement:

> The issuance and control of the medium of exchange, which we call money, is the high prerogative of government.

It is interesting to know that the President of the United States, in spite of strong opposition, was determined to restore this right to the American people. At the present time the authority of the crown over national credit has been made subordinate to the policy of the private financial authorities. This must be changed. National sovereignty over the money power is fundamental. It lies at the very roots of national prosperity and the possibility of a permanent recovery of purchasing power. Shakespeare once wrote:

> There is a tide in the affairs of men,
> Which, taken at the flood, leads on to fortune;

Just as with the individual, so is a nation called upon at times to make important decisions. We stand today at the cross-roads —to the right, abundant nature, coupled with man's genius, offers plenty for all; to the left, unemployment, misery, squalor, want and destitution. History tells us that the Anglo-Saxon has ever been at his best when his back is to the wall. We stand to-day in that position. There is no turning back, our only escape is by bold frontal attack. The barons of old found themselves in a similar position. They had to strike or remain slaves. They demanded their rights and won them and every child in our schools is taught that the liberty of the people commenced with the signing of the great Magna Charta in 1215. In those early days the masses of the people were uneducated and, therefore, progress was slow. So we find that many centuries elapsed before another great reform was brought about which had far-reaching effects upon the lives of the people. In 1832, approximately 100 years ago, the first reform bill was passed. This was quickly followed by other reforms, and education spread to the masses and so far as history records, since the spread of education, more progress has been made in the last 100 years in our scientific and industrial development than was made in all the centuries of time that went before.

The problem of our forefathers was one of scarcity and famine. To-day man is no longer the slave but the master of nature in so far as eliminating the fear of scarcity is concerned. To-day an abundant nature coupled with science offers a new promise to mankind and yet we stand in that ridiculous position which has been so aptly described as starvation in the midst of plenty. To-day our problem is not one of production but rather one of distribution among the people of the abundance we have learned how to produce.

Capitalism along with education taught men to conquer nature by rapid assault. Under the impulse of the technical requirements of capitalism, the evolution of the sciences has been a triumphal march of the human mind. Science has stripped the veil of mystery from the natural forces which once filled our ancestors with fear. Science has made possible the subordination of natural forces to the human will in the service of our main object the production of the necessities of life with a minimum expenditure of energy, but our social and political science has lagged woefully behind. Yet, Mr. Speaker, in spite of what education and science has done for mankind, the world finds itself to-day in a very unhappy condition. I should like to quote from The Inversion of Science by Professor Soddy, as follows:

> Discoveries, in themselves noble and full of the promise of better things, are being turned to evil. Plethora and glut choke the world's markets and produce not prosperity but unemployment and destitution. The dread powers of nature which science has in harness are being used not to build up a civilization worthy of our intellectual and material greatness, but, with the enthusiasm reminiscent of a lunatic asylum, to destroy and wreck it.

If it is not too painful an operation, stop and think for a moment, and ask yourself, what is wrong? Has nature failed us? Are we unable to produce sufficient to satisfy the needs of mankind?

No, Mr. Speaker, as Professor Soddy has so well said, plethora and glut choke the world markets and produce not prosperity but unemployment and destitution.

When one thinks of the squalor and misery in the world to-day, with its millions of unemployed, but especially in this young country of Canada, with its abundant potential resources, with its virile man power, its immense wheat fields, its great water powers, magnificent factories and transportation systems, one would think that here at least one would find prosperity, happiness and contentment, but, Mr. Speaker, we know that it is not so. However, we are told that we have sound money.

We find in this rich young country thousands of our people unemployed, living on the dole, receiving charity, denied the right of a gainful occupation. Thousands of our young children are under-nourished, with lack of proper medical treatment, not because there are not enough doctors but because there is not sufficient money to pay for their services and so these young people face life with handicaps,—handicaps which will never be overcome. But perhaps one of the saddest things of all is the fact that approximately two hundred and twenty thousand of our young people leave school every year, fitted, ready and anxious to make their contribution to life, and what are their prospects for a gainful occupation? As Tennyson said, "Every door is barred with gold and opens but to golden keys."

Of course, if they are not too "choosey" they may eke out a miserable existence in a relief camp, or by doing some laborious work which could be done much cheaper by a machine, and so after a few years of this sort of thing they lose hope, they lose ambition, they lose courage, and finally have to be carried on the backs of those who are privileged to get a job.

How long is this sort of thing to continue amongst a so-called civilized and Christian people?

We may have so-called sound money, but money exists only by law and we are the people responsible for the law. Is there no one in the state competent to manipulate its bits of metal and paper so that those who can and do make things can buy them?

Two years ago, when speaking on the address in reply to the speech from the throne, I made the statement that I believed there was no man in Canada who had such a wide grasp, such a thorough understanding of the financial question as the present Prime Minister and that he had the ability and the courage to grapple with this great question if he could only make up his mind to do so. So far he has not acted. He still clings to the moribund policies of the past and, frankly, I am disappointed, as are many people in Canada who were looking to him for leadership. I believe that, had he stayed away from London and followed his own judgment, it might have been different. Our Prime Minister seems to be following the same advice as did the Right Hon. Winston Churchill in 1925, when as Chancellor of the Exchequer he put England back on the gold standard, which he has since frankly and courageously admitted was wrong.

[Mr. Lucas.]

Let me quote in part from a speech on the budget which Mr. Churchill delivered in the British House of Commons in April, 1932:

> When I was moved by many arguments and forces in 1925 to return to the gold standard I was assured by the highest experts, and our experts are men of great ability and of indisputable integrity and sincerity—that we were anchoring ourselves to reality and stability; and I accepted their advice. I take for myself and my colleagues of other days whatever degree of blame and burden there may be for having accepted their advice. But what has happened? We have had no reality, no stability. The price of gold has risen since then by more than 70 per cent. That is as if a 12-inch footrule had suddenly been stretched to 19 or 20 inches; as if the pound avoirdupois had suddenly become 23 or 24 ounces instead of—how much is it?—16. Look at what this has meant to everybody who has been compelled to execute their contracts upon this irrationally enhanced scale. Look at the gross unfairness of such a distortion to all producers of new wealth, and to all that labour and science and enterprise can give us. Look at the enormously increased volume of commodities which have to be created in order to pay off the same mortgage debt or loan. Minor fluctuations might well be ignored, but I say quite seriously that this monetary convulsion has now reached a pitch where I am persuaded that the producers of new wealth will not tolerate indefinitely so hideous an oppression.

Those are pungent words. That was a courageous utterance, Mr. Speaker. Would that more of our public men would as frankly admit their mistakes and face the cold, hard facts. Mr. Churchill commenced his speech with these words:

> As I left the politics of yesterday for those of to-day, I now leave the politics of to-day for those of to-morrow.

In other words, Mr. Churchill recognizes that we are living under changing conditions, and that what may have been good enough for yesterday will not meet the needs of to-day. Would that our government could grasp that idea. I am afraid the scales have not yet fallen from the eyes of the Prime Minister. He is still following the stern lights of the ship, which light up only the past. He came out west last fall and instead of bringing a message of hope he left a feeling of gloom. There was to be more tightening of belts, more sacrifice, and then almost with tears in his eyes he told what a terrible calamity had happened when poor old Britain was forced off the gold standard.

Well, thank God that in the past hundred years learning has spread to the people, and never were they so well supplied with information, by press, radio, and so on. And what are they being told? What do they read in almost every paper? Most of it is about the wonderful recovery which is taking

place in Great Britain. And when did this recovery start? Very funny to relate, it was after she left the gold standard in 1931. Is there anyone bold enough to deny that statement?

Let me quote a short excerpt from a speech by the Right Hon. David Lloyd George:

> Chief among those beneficial actions must be classed our departure from the gold standard in the autumn of 1931. The humour of that lies in the fact that we kicked violently against being released from our gold bondage by the hand of destiny.
>
> We smashed not only our party system, but the whole of our fiscal system in our convulsive protest.
>
> We borrowed £80,000,000 for the same purpose.
>
> Economists prophesied ruin and collapse if we failed to maintain sterling in its top-heavy howdah on the back of the golden calf.
>
> Luckily we were thrown off. Many other nations thereupon proceeded to do deliberately what we had done by accident, to their own great benefit. . . .
>
> The departure of so many countries from the gold standard has helped to transfer attention from gold to goods. When gold ceased to be a reliable measure of exchanges, there began to dawn a slow realization of the fact that useful goods are a truer wealth for a nation than idle yellow bars in bank vaults. . . .
>
> Possibly we may be moving towards an era of world sanity in which international commerce will be less subject to the interests and juggling tricks of bankers and high financiers: in which money will become the servant rather than the tyrant of mankind.

Then let us turn to our neighbour to the south. That great country, with nearly one-half of the world's gold in her vaults, found herself facing ruin. Only last March her banks were closed from coast to coast; then she left gold, and again, funny to relate, from that time on a steady improvement has taken place. Thought is still free, Mr. Speaker, and the people are thinking to-day as they have never done before.

The facts which I have just related are patent to every observer, and while the resolution before the house does not deal with the gold standard, I have merely cited these facts to show that those who now control money power are fighting desperately to retain the gold standard, for they know that so long as our money is based on one commodity, gold, which is scarce and can be cornered, they have a much better chance of retaining their stranglehold on the people.

A new experiment is being tried out by our neighbour to the south. The people of the United States, in their new president, have a man not only with a vision but with the courage to back it up. While some of the measures he is taking may not prove a complete success, he has broken new ground and he has made the statement that if one does not succeed, he will try something else. What he is to be given credit for is the fact that he has broken away from the old orthodox systems which have brought us to our present unhappy condition. Let me quote a few lines from that inaugural address which he made when he took office last March:

> Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone.
>
> More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return.
>
> Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply.
>
> Primarily, this is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.
>
> True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. faced by failure of credit they have proposed only the lending of more money.
>
> Stripped of the lure of profit by which to induce our people to follow their false leadership they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.
>
> The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

That was a wonderful statement, especially coming from the leader of one of the greatest nations in the world. The only point where I do not agree with the president's statement is when he says that the money-changers have fled from their high seats in the temple of our civilization. It is true that they have been given a severe jolt but they are still fighting strenuously to maintain their control. Let us hope the people of the United States will stand steadfast behind the president in his noble effort to unseat them. I often think if the planet

Mars were inhabited and some person up there with a great telescope could take a bird's-eye view of our world to-day with its unlimited resources, its tremendous wealth producing power enabling it to produce plenty for all, and in the midst of all this abundance he saw unemployment, misery, poverty and want, he could come to no other conclusion than that those people were only fit subjects for a lunatic asylum.

Let us look at this question with plain, everyday common sense. What would one think of a farmer who had great stacks of feed in his fields, plenty for all his stock, but fenced around with barbed wire, far enough away so that only those beasts with long necks could reach the feed, the others having to starve or eke out a miserable existence by picking up the stray bits which fell from the mouths of the more fortunate ones? We know what would happen to him. He would immediately be arrested for cruelty to animals, and rightly so, and yet that is a fair illustration of what is happening in the human family, and what is being done to remedy it?

Doctor Hamilton Fyfe, Principal of Queens University, speaking at the annual dinner of the Engineering Institute of Canada last year, gave the engineers something to think about when he said:

> They should be more than technical advisers, exploited by captains of industry, he told them, and expressed the view that the chief reason why industrial paralysis was allowed to continue was that the engineering profession was "in bondage to finance." They had allowed themselves to be used as tools, and their technical ability had immensely increased productive efficiency, but they failed to apply their intelligence to the solution of the fundamental problem of making industry function for the public good.

Doctor Fyfe hit the nail on the head when he said that the engineers were in bondage to finance, but he should have gone further and said that not only the engineers but the great mass of the people as well were in bondage to finance. The great decision which has to be made to-day is whether the people are going to remain in bondage to finance or are they going to uphold the traditions of their ancestors and demand their rights as free men. In the development which has taken place during the past hundred years, but more especially in the last fifty years, finance has become so interwoven in our industrial and commercial life that it is to-day as necessary to that life as air is to the human body. We would not for one moment think of legislating into the hands of a group of private individuals the sole right to control the air about us which we all need to breathe in order to live, and yet we have done that very thing in so far as our industrial and commercial life is concerned.

Let me again quote a few lines from Professor Soddy's work at page 44:

> Democracy, in its struggle with autocracy, has failed to recognize that, of all the prerogatives of government, the issue and regulation of the currency is the first, if not the only, essential, and it is not necessary to look further for the cause of its hopeless failure to give to the world a system of humane government. The coining of money can in no sense be defended as a legitimate form of private enterprise. Here at least we may claim to be upon ground that not even the most extreme individualist can dispute.
>
> But passing from theory to practice, we have seen how our inverted ideas are fast making it the only form of private enterprise. Quite unwittingly and because of the confusions of economists between wealth and debt, democracy has given to the financier of to-day powers which never yet in history have been wielded by the most absolute autocrat. Irrespective of peoples and parliaments, kings and cabinets, the control over the manufacture of money has put into the hands of a few men absolute power over industry, and with it the very life of the nation.
>
> Industrialized nations are so heavily in debt that industry is being administered as a bankrupt concern in the interests of its creditors, and its primary purpose to produce wealth is more and more becoming secondary to this. Shylock has us all in his grip, scientific men and inventors, black coat and artisan, farmers and labourers, editors and journalists, teachers and professional men—all are being brought under a centralized financial domination. But thought is still free, and, despite the press, let us hope some remnant of it may persevere in our ancient schools and universities.

Yes, thought is still free, and the pioneering spirit and love of freedom which have ever characterized the Anglo-Saxon race are not now going to submit tamely, if I am any judge to a financial dictatorship which has been largely responsible for our present unhappy condition. I am willing to concede that when the monopoly over money was granted to private individuals, finance did not play such an important part in the lives of the people, and that they, the people, were not educated or trained sufficiently to handle it wisely. But in the meantime conditions have changed. The monopoly power of money in private hands has grown beyond all imagination, until to-day it threatens to wreck and ruin our present civilization. In the meantime also, education and science have fitted our people for a more abundant life and some means must be found to see that they get it.

After a conference of English clergymen at Swanwick early this year, the conference circulated a document on "The Christian faith

and the economic depression," containing the following statement:

We indict the monetary system as a whole, on the ground that it is not doing what we are justified in expecting it to do, namely, to arrange for the proper distribution and exchange of goods and services. The gifts of God are being withheld from His children. The present widespread sense of insecurity and fear results; and the freedom which Christ came to bring is denied. We are told that one nation by itself cannot reform its monetary system, owing to its dependence upon international factors. To wait for universal consent on this matter is a policy of drift and despair; and we believe that, if our nation were to give a lead, other nations would be prepared to cooperate with us.

The world is looking for a lead on this all-important question, and as the Anglo-Saxon race has ever been in the forefront of civilization, to whom else can we look with more hope for leadership and guidance? Something must be done and that quickly. Our civilization is at present chained to a corpse, and, in the words of St. Paul, cries out, "Who will deliver me from this body of death?" Is it any wonder that the wealthiest age the world had ever known has been brought almost to the verge of collapse? So I present this resolution asking that the control over our money our medium of exchange, be restored to the people, where it rightly belongs, earnestly hoping that this young country of Canada, a country free from the bitternesses, jealousies, suspicions and hatreds which dominate many of the older countries of the world, may give a lead and point the way to a brighter and better day to come.

I wish to place on record a short statement by that great industrialist Henry Ford :

Congress should have kept its constitutional power over money. But it failed to do so. It farmed out the system to private hands—a notion just as antiquated as the old notion which once prevailed of farming out the postal system.

We should have a money system managed by the public for the service of the public in the furtherance of life's continual demand for expansion. Money is right now holding up our progress to the goal which I have outlined. It is our natural conveyor system, but it is not moving. People hold on to money because they think it is wealth. But money is only the mover of wealth, and it is not moving. And those who claim to be experts in the management of the money machine do not seem to be able to make it move.

I trust, Mr. Speaker, that I may be pardoned for quoting so freely, but I know there is a tendency for the orthodox party man and the orthodox financier, whether in or out of this house, to look with contempt on anything which emanates from this corner of the house, especially in regard to financial matters. But while the parties referred to may place what importance they see fit upon my own observations, they cannot lightly ignore the opinions of such men as I have quoted, and who, I may say, are only a very few of the leading men of to-day who have glimpsed a clearer vision of the new and brighter day to come and who recognize that the purpose of a just economic system is to deliver goods and services, and that money must be made the servant rather than the master of mankind.

As in days gone by a public opinion developed which won for us our religious freedom, our political freedom, which abolished slavery, and I am confident that there is now developing a money mentality which recognizes that the grim goddess of finance exercises an inexorable power over the lives of the people, and unless conquered will rivet unemployment and poverty upon society until its doom.

So far I have quoted from authorities mostly outside of Canada. I now wish to place on record an excerpt from a statement by an honourable and respected member of this house. Speaking before the Canadian club of Toronto, on November 13, 1933, Hon. C. H. Cahan, Secretary of State for Canada, made the following statement. I presume every hon. member received a copy of this speech, as I did. The speech was delivered on a special occasion in that great financial centre of Toronto, so I believe I am right in assuming it was a carefully prepared speech, and coming from such an honourable and distinguished member of the cabinet, may be taken as an authoritative statement. The Secretary of State in his speech very ably confirmed many of the contentions made in this corner of the house as to how our present banking system controls and manipulates the credit of the people of Canada. The address is entitled, "The Depression, its Monetary Problems." I quote, starting at page 5 where a little historical sketch is first given. I think it is important that it should be on record, because I am sure not only the members of this house but the people of Canada will be interested to know just how our credit is issued and controlled by the banks.

The British North America Act, 1867, which constituted the Dominion of Canada, provided that the parliament of Canada should have exclusive legislative authority with respect to banking, incorporation of banks and the issue of paper money, and also exclusive legislative authority with respect to currency and coinage. Temporary legislative measures were enacted by parliament in 1867 and 1870, but the first general and comprehensive Bank Act was enacted in 1871. Revisions of the act have been

made by parliament at the close of successive periods of approximately ten years each. The fifth revision took place in 1923. The sixth revision will be made at the ensuing session of parliament.

In the earlier days of Canadian banking banks' loans to their customers were restricted to their bank notes and their banking capital. The customer usually received from the bank the amount of the loan in bank notes or metallic currency and therewith made his payments to his creditors. As late as 1840 the note issues of the Canadian banks constituted more than one-half of their liabilities. Since then banking practice has radically changed.

On September 30 last the notes in circulation of all the Canadian chartered banks amounted to $141,000,000 and their total liabilities aggregated $2,849,000,000, or over twenty times the amount of their note issues.

The prevalent conception that bank deposits may only be created by actual deposits of specie, or its equivalent in dominion notes or foreign exchange, is quite erroneous. The bank returns for September 30 last disclose that the banks held only $49,000,000 in specie and $127,200,000 in dominion notes, or a total of approximately $176,000,000 in specie and notes, while their current loans and discounts were $1,428,000.000 which was a reduction of $932,000,000 in the amount of current loans and discounts on September 30, 1929. Such a large reduction in outstanding current credits would seem to indicate that the industrial and commercial activities of Canada have been reduced or restricted by nearly 40 per cent since September, 1929.

The aggregate of these loans, by which the bulk of all deposits are created, largely represents advances of credit made by the banks to their customers. The capital and reserves of all the banks of Canada amounted on September 30 to $306,500,000, which was at least partially represented by fixed investments. The credit extended by the Canadian banks is secured in less than one-fourth part by the capital and surplus of the banks, but largely by the good faith, property, administrative efficiency and business capacity of the customers to whom such loans are made.

The creation and issue of money was in former times the prerogative of the sovereign. In a more primitive society money consisted exclusively of metallic coins. Later governments began the issue of paper notes, redeemable in metallic currency, and these notes were declared by decree or by statute law to be legal tender in payment of all liabilities.

In more modern times the invention and adoption of the cheque system has effected a radical revolution in monetary policy. The cheque has now largely usurped the function of metallic coins and government notes as currency.

Under the modern banking practice a bank customer, instead of withdrawing his loan in bank notes and metallic currency, receives a credit entry in the books of the bank for the amount of the bank's loan, as if it were a deposit made by him in his account with the bank. Against this credit in the bank's books of account the customer draws his cheques. The customer's cheque, which is an order on the bank for the payment of money to the payee of the cheque, merely results in the transference of the credit, which has previously been granted by the bank, from this customer's name to the name of another customer in the same or another bank's books of account. In case the payee of the cheque so drawn keeps his banking account in another bank, the two banks, in the larger cities and towns, daily adjust their balances through the clearing house.

The result is that, in modern practice, 70 to 80 per cent of the aggregate of all deposits shown in the Canadian bank returns represent in reality the amount of loans made by the banks and then outstanding. In consequence bank deposits consist largely of credit money which has been created by the banks. When a loan is repaid by the customer to the bank which made the loan, the deposit created by the loan is wiped out, and the aggregate of all bank deposits is thereby reduced by the sum so paid.

Then he gives the total of the deposits of chartered banks in Canada as $2,260,000,000, and continues:

This aggregate of deposits on September 30 last was $436,500,000, less than the average amount of deposits during the year 1929.

Since the cheque system has been adopted the difference between the amount of cheques paid into a customer's account at his bank and the cheques drawn by the customer and paid out by the bank represents a sum of money which the customer owns, but nevertheless this money does not exist except in the accounts of the customer's bank.

What is paid out of one bank account is paid into another bank account by entries in books of account. A relatively small quantity of metallic coins or paper currency suffices for owners who require cash for their petty expenses.

The cheque system, which has been developed, enables the banks to create money without the issue of their printed notes. On September 30 last all the Canadian banks had $141,000,000 of their own notes in circulation, while the aggregate of bank deposits was $2,260,000,000.

It is convenient for the banks, with their numerous and widespread branches, to have available a limited quantity of their own notes, which suffice, in part, for the cash requirements of their customers; and therefore, to avoid the expense of holding in reserve and transferring currency as required, it has hitherto been deemed expedient that parliament should grant to banks the privilege of issuing their own notes in limited quantities as required, not only at head offices but at all their branch offices throughout Canada. This privilege is now being criticized, and parliament must decide at the ensuing session whether or to what extent it shall be withdrawn.

. . . But the cheque system, which now prevails, enables the banks, as I have stated, to create credit money at will for many hundreds of millions of dollars in excess of their note issues. $1,428,000,000 of such credit money was issued and outstanding on September 30, last. In comparison with this bank credit money the amount of all money in circulation is quite insignificant.

But in fact the banks have not an unlimited power of creating credit in the form of bank loans which may be drawn upon by their

customers' cheques. Their dependence upon public confidence is so vital to their solvency that in actual practice they invite disaster whenever they make loans which are not accompanied by satisfactory guarantees for their repayment. If the banks are to maintain their solvency they dare not make loans or advances unless they have reasonable confidence that they will be repaid in due time. The fact remains, however, that the banks now have an almost complete monopoly of the credit facilities of the country. They may restrict or extend credit at will within the limitations which I have mentioned; and the question has arisen whether the control of credit should continue to be exercised in the sole discretion of the directors and officials of the banks.

I trust that every hon. member of the house will study that statement carefully. I would suggest that it be printed in large type and distributed to every member of the banking and commerce committee, who will be charged at the present session with consideration of the revision of the Bank Act. That act is to be revised at this present session. The speech from the throne also announces that a central bank for Canada is to be established. This will be something new in the financial structure of the dominion. On what foundation this new central bank is built will depend its success or failure and its influence for good or evil over the lives of the Canadian people. If it is founded on the lines suggested by Lord Macmillan in his recent report, that is under private control, then it is just going to add another link in the chain of international financial domination, which I say without hesitation is largely responsible for our present unhappy condition, as well as that of other countries with privately owned central banks. No, Mr. Speaker, let Canada give a lead to the rest of the world and establish a publicly owned central bank, as recommended by Premier Brownlee in his minority report as a member of that commission.

I wish it distinctly understood, Mr. Speaker, that my resolution does not ask for the nationalization of our present banks; that would be unwise and too costly. The banks have such tremendous sums stored up in palatial structures that I am sure they will wish to retain them as reminders of their monumental folly. What I do ask is that the state resume its complete sovereignty and inherent right to control and direct finance in the interests of all of the people of the country. If this is not done and the control of finance remains in the hands of selfish private interests, then it is my firm conviction that, as inevitably as we are sitting here, we are going to face ruin in the not distant future.

May I ask that when the vote is taken on this resolution every hon. member may forget his party ties, remembering that Canada is bigger and the welfare of her people more important than any political party.

Mr. HENRY E. SPENCER (Battle River): Mr. Speaker, in seconding this resolution proposed by the hon. member for Camrose (Mr. Lucas), I do so with a great deal of pleasure because I find that although this subject received very meagre consideration ten years ago, to-day it is receiving not only a great deal of thought throughout the country but also much more consideration in this House of Commons.

The subject has been so well discussed by the hon. member for Camrose that I hesitate to take up very much time in going over ground that has been covered so ably already. We must realize, however, that this depression and the chaotic conditions which we are facing really reflect the unstable monetary conditions under which we exist. We have heard a great deal with regard to poverty in the midst of plenty; this phrase has passed from mouth to mouth daily, but how much is being done to solve the problem? Surely none of us are satisfied, when we admit that this is a country rich in natural resources, that we should have so much poverty, degradation and crime in a new country like Canada. The faulty link, as my hon. friend has mentioned already, is the one between production and consumption, and for that reason this resolution is placed before the house to-day.

Money should be a medium of exchange; we should recognize that at all times there should be sufficient money available to enable all goods and services that may be offered and are wanted to be transferred from one to another. If there is a shortage of money, total goods cannot be transferred. At the present time, in the orthodox mind, money is considered the more important, and goods and services are curtailed to fit in with the amount of money available. Money should be looked upon as a ticket system, and sufficient money should be in circulation at all times to enable us to trade with each other to the fullest possible extent. We know full well that gold as a basis has failed hopelessly for some time past; that has been recognized perhaps more clearly in the last seven or eight years, so very little is said about it to-day. Only three years ago we heard Sir Basil Blackett, a director of the Bank of England, admit here in the city of Ottawa that there was absolutely no need to retain gold as a basis behind our internal currency. Of course gold still has value with regard to the settling of international balances, but I claim that the basis

of credit, is the power to produce and deliver goods and services as when and where they may be required. The war was financed not on gold but on the national credit, and the ability of our people to produce the things we wanted in order to carry on the war. In passing I might say that the limitation of the war was not brought about by the amount of money in existence but by the limitation of man power and supplies that were forthcoming.

Therefore I take it, Mr. Speaker, that the issue of money is a prerogative of the government. I received a letter the other day from a legal friend, in which he says:

> It is commonly said that the right to issue financial credit has been transferred to the banks. I can see no proof of that and question it as a fact. I believe it to be a pure assumption. The supposition seems to me to be negatived by section 75 of the Bank Act. As a matter of law I would say:
>
> 1. That the right to issue all money is part of the prerogative of the crown: In the words of President Roosevelt, "a high prerogative of government." It is so in all countries, and has been so in all ages.
>
> 2. That financial credit is money and therefore falls within the prerogative of the crown. The definition of money in Halsbury's Laws of England, volume 21, page 37, is, "that form of wealth or credit which is transferred from one person to another by means of coins, bank notes, cheques and similar instruments." Or as Mr. McKenna says, "what is immediately spendable," including all bank deposits drawable by cheque.

Money, as we well know, is of three sorts, coin, currency and credit. As has been so well outlined by the hon. member for Camrose, the coin and currency represent only a very small proportion of the money we use; it is largely made up of credit. By means of the Bank Act the government of Canada allows the banks certain privileges with regard to the issuing of money. It allows the banks to issue paper money, commonly called bank notes or bills, to an extent equal to their paid up capital, and also what they call excess issue to the amount of 15 per cent of their unimpaired paid up capital and 15 per cent of their reserves. This excess can be issued for six months of the year, from September to the following February inclusive. Parliament, however, never gave the banks power to issue financial credit, and I think that is the point on which we must take our stand to-day. Parliament never gave the banks power to issue financial credit; certainly it is not covered in section 75 of the Bank Act.

I should like to quote from the Dean of Canterbury, who puts the case very neatly when he says that this power has slipped unawares into private hands. To-day I read a very interesting address by the same gentleman, which appeared in the Illustrated London News, from which I should like to quote a few lines:

> If in a pre-machine age men could support themselves in tolerable comfort, they can do so a hundredfold better to-day. Every man, indeed, can keep himself and a score of others too. It is a marvellous world. None need want. Remove the artificial restrictions and superabundance is at hand for all. Yet we starve. Literally, and in face of plenty. In the August heat wave Liverpool steamers moved from the docks, and from the neighbourhood of hot and thirsty children, too, and dumped a million oranges into the Irish Sea.

I could quote other similar cases of waste as well.

As I have said, most of our money is credit drawable by cheque. We have often heard, sometimes in this house and sometimes outside of it, that all the money the banks have to lend is money which is placed with them by their depositors. That statement may have been partly right some fifty years ago, but to-day it is entirely out of date. All loans create new money. All cancellations of loans cancel an equal amount of money out of circulation. A bank, therefore, when it creates a loan creates an asset, on the one hand, it also creates a liability on the other, and consequently a bank in making loans has to be very careful to see that it gets good negotiable collateral on which it can realize quickly in order to meet the demands of the depositors in case of a run on the bank.

I should like to quote a few words from the Macmillan report. On page 43 they make mention of how deposits are created and to the increase of cheque money, and under the heading of Bank Deposits they say:

> Bank deposits subject to cheque furnish much the most important medium of exchange in Canada.

On that same page a table is given headed "Proportion of Deposits in Chartered Banks to Notes Issued," and they say, going back to the year 1871, that the proportion of deposits to bank notes was, in 1871 2·7 to 1, but to-day, so greatly has the system changed in favour of the use of cheques, that the proportion has risen from 2·7 to 1 to 17·1 to 1.

Looking over figures that I received the other day from the Bureau of Statistics I find that in 1931 the total gold amounted to $120,000,000; legal tender, $145,000,000, and deposits, $2,422,000,000. This in itself is further proof that we are in an age of cheque money, and not in an age of either coin or note money.

In support of what I have said in regard to loans creating money I should like to quote from one who has already been quoted here to-day, Professor Soddy of Oxford. He says:

1. Money is printed or written into existence by the bank.
2. It enters circulation as a loan to somebody.
3. It is then spent and then becomes a deposit in the name of the receiver.

One can readily see therefore that the greater the loans made, the greater will the deposits grow, and on the other hand, the greater the cancellations of loans the greater will be the drop in the total amount of deposits.

The Right Hon. Reginald McKenna, of the Midland Bank, England, states the case as follows:

The amount of money in existence varies only with the action of the bank in increasing or diminishing deposits. We know how this is effected. Every bank loan creates a deposit and every repayment of a bank loan destroys one.

Just to round out my argument I should like to quote, in spite of the fact that this passage has already been quoted to-day, a few lines from the address of the hon. Secretary of State (Mr. Cahan), to the Canadian Club at Toronto on November 13, 1933. He said:

On September 30 last the notes in circulation of all the Canadian chartered banks amounted to $141,000,000, and their total liabilities aggregated $2,849,000,000, or over twenty times the amount of their note issues.

The prevalent conception that bank deposits may only be created by actual deposits of specie, or its equivalent in dominion notes or foreign exchange, is quite erroneous.

I am very glad indeed to have such a well-known public man as the hon. Secretary of State come to our support in that statement.

I wish now to give four reasons for what I consider the breaking down of our present economic system.

First of all I would say that it has failed because of the private control of money and credit. Parliament has allowed it to drift into private hands which handle it entirely as a private business, with the profit incentive. Banks can increase or decrease to an alarming extent the amount of money in circulation through the control they exercise in regard to the issuance of credit, and by increasing or decreasing the amount in circulation at any time they can increase or decrease prices. Financiers, therefore, have more to do to-day with regard to increasing or decreasing prices and making business better or worse than has even the federal government in this country.

Secondly, they have attempted to base the currency on gold. We all know that gold is simply a fair weather standard. It has never operated when a time of stress came. Special legislation had then to be passed, as in 1914, to enable the banks to pay their debts in their own notes and to do away entirely with paying out gold. I am very glad that the public generally to-day recognizes that gold is not necessary so far as our internal money is concerned.

Thirdly, the system is debt-creating, and in that connection we have only to look at the debts which this country is carrying, debts created in some cases, it is true, for making permanent improvements, but debts which the federal government should not have incurred; because the duty of the government should be, not to borrow, but to lend.

I should like to put a question to the house with regard to interest. How is it possible to pay the interest on loans? How is it possible to pay the aggregate of loans, plus interest, without creating additional debt to meet the interest on the loans already made? That is one reason in my opinion why debts, both public and private, are increasing so rapidly.

Fourthly, the total prices under our system to-day are always greater than the total costs. That being so, it is impossible to get rid of our total production at any given time, with the result that if we have a surplus we have to find other ways of getting rid of it. There are two ways in which we generally try to do so. One is to sell that surplus on time. We know that the United States of America probably went further in that respect than any other country, by selling goods on time until they had a pyramid of goods sold on time sales to the amount of some $6,000,000,000, and then the whole thing crashed like a house of cards.

The other way is to export the surplus. But if we have not sufficient money at any given time to buy a surplus of goods that are made, we have not the money to buy the imports which may enter the country in exchange for our exports. This naturally leads to every country doing everything it can to interfere with the natural flow of trade in its anxiety to export more goods than it imports, and there you have your economic war, which ultimately leads to military warfare.

I should like to point out four particular things that have happened in this country to which I think we should give some attention. I am not going to deal with the Finance Act this afternoon because it is a large subject and is deserving of considerable time and study. I shall only make a brief

reference to it. The bankers have made considerable use of the Finance Act, and I do not blame them because it is a great convenience. In 1918 they used the Finance Act to the extent of $282,000,000. The interest charge made by the government at that time was from three to three and one-half per cent. Among the various securities which can be taken by the banks to the treasury board are provincial bonds. In that same year four of the provinces found it necessary to go to the federal government for help, which they received to the extent of some millions of dollars. They deposited provincial bonds as security with the treasury board. While the private banks of this country were able to get advances under the Finance Act for from three to three and a half per cent, the provinces of Canada had to pay five and one-half per cent. I think it is very unfair that this should be the case. That same year I introduced a bill asking that the same privileges should be given to the provincial governments as were given to the private banks.

Mr. BENNETT: Does the hon. gentleman realize that in the one case you have a two-name paper while in the other case you have only a one-name paper?

Mr. SPENCER: I should like to know what the Prime Minister (Mr. Bennett) means by "two-name"?

Mr. BENNETT: You have the promise of the bank in addition to the promise of the bonds, while in the other case you have not. The bonds are primary debtors.

Mr. SPENCER: The Dominion government realizes the absolute necessity of not allowing the provinces to default, and their credit should be considered as being equally good. I have not the time at my disposal to give the house a complete list of the securities which may be taken to the treasury board by the banks, but a partial list is as follows:

(d) Promissory notes and bills of exchange secured by documentary title to wheat, oats, rye, barley, corn, buckwheat, flax or other commodity;

(e) Promissory notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes and which have been used or are to be used for such purposes.

Surely provincial bonds are as good as these.

Mr. HACKETT: Have they ever been taken?

Mr. SPENCER: They may be taken.

[Mr. Spencer.]

Mr. HACKETT: Have they ever been taken?

Mr. SPENCER: They may be taken.

Mr. HACKETT: Have they ever been taken?

Mr. SPENCER: Probably, as they can be under the act.

The war was largely financed by the extension of credits made against war bonds bought by such credits. One has only to refer to that most interesting book by Sir Thomas White entitled "War-time Finance" to find that he makes a remark something like this: During the war, Canada surprised not only herself but the world when her people subscribed twice as much money as there was in Canada for war bonds and still left ample money with which to carry on increasing business. Anyone who has looked into the financing of the war knows how it was done. One questions very much the right or the wisdom of the government of that day in piling up debt by allowing the banks to finance the war instead of doing it themselves.

In 1914 some $26,000,000 was issued direct by the treasury, $10,000,000 to the Canadian Northern, $6,000,000 to the Grand Trunk and $10,000,000 for general government purposes. On looking up the records I find that the collateral accepted by the government of the day for the $16,000,000 loaned to the railways was railway securities guaranteed by the Dominion government. At that time we took securities which we ourselves had guaranteed!

I should like to refer for a moment to the $35,000,000 deal put through about two years ago. We well know that this was done quite in order with dominion treasury bills. They were turned over to the banks as security for the line of credit given to the dominion. The banks had the privilege of taking those treasury bills to the treasury board and obtaining dominion notes, and they availed themselves of that privilege. The banks charged four per cent for their book-keeping, while the government charged the banks three per cent for issuing legal lender. Running for a period of two years the difference amounted to something like $700,000. At that time the government financed itself to the extent of $35,000,000 at a cost of one per cent. It could have been done for less because it certainly did not cost the banks that much. Why cannot that be done to-day? Why do we have to go out into the market and pay four or five per cent? It would be no more inflation to issue notes than to issue a credit drawable by cheque.

This is one point we have to get across, that is, that anything that functions as money is money.

I have no wish to take up the time of the house any longer but I would like to remind hon. members that the Bank Act comes up for revision this year. There is considerably more interest to-day in this subject than there was eleven years ago.

Mr. IRVINE: You would not think so to look at the house.

Mr. SPENCER: No, you would not.

It is only natural that the banks will do their best to defend their privileges. I do not blame them at all, but there is a responsibility upon our shoulders to look after the interests of the public. I am not aware of what the banks intend to do with regard to employing people to look after their interests, but in 1923 they engaged three of the most eminent legal men in this country, Sir Thomas White, Mr. Aime Geoffrion and Mr. H. J. Symington. There were also other legal men engaged, and with the cost of printing and distributing a pamphlet as propaganda, etc., they spent in that year a total of $96,646.50. Somebody whispered to me the other day that already the banks had engaged Mr. Geoffrion the second time. I do not blame them for engaging these very highly paid men to look after their intersts, but we are here to look after the interests of the people, and it is up to us to do our best to see that the people get a square deal when the Bank Act comes up for revision.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I take no exception to the fact that the hon. member for Camrose (Mr. Lucas) has made this motion, but I must point out that a large portion of the discussion, particularly that of the hon. member for Battle River (Mr. Spencer), has had reference to a central bank and other matters mentioned in the speech from the throne and which will be dealt with in the very near future.

Mr. SPENCER: May I interrupt? I did not mention the central bank.

Mr. RHODES: Having said so much, it is not my purpose to raise any point of order; my particular object in mentioning the circumstance was to indicate that I do not propose to deal with the matter at length in view of the fact that in measures which are to come before the house we will be discussing the whole question of banking in all its ramifications.

I hope that my hon. friend from Camrose and my hon. friend from Battle River will not take it amiss if I say to them that, listening to their remarks, I could not help bearing in mind a statement made not long since by a very eminent professor in the United States who has specialized in economics and finance, and who gave public utterance to the view that there were only sixteen persons in the world who knew anything about finance. Among those he cited there was not one Canadian. So far as I am personally concerned, therefore, I approach the subject with great humility; but I am glad to know that the views expressed by this eminent professor did not in the least deter my hon. friend from Camrose and my hon. friend from Battle River from discussing this very large question.

The first recital in the resolution reads:

> Whereas the provision of an adequate medium of exchange through the issue and control of currency is a function inherent in the state, and one which is wholly within the jurisdiction of the federal parliament. . . . .

I take no exception to that recital. I have only to point out in that connection that since confederation the control of the issue of currency has undoubtedly been recognized as coming under dominion jurisdiction, and control has been exercised through the passing of the Bank Act and similar financial statutes bearing upon banks and banking during each decennial revision down to the present year. It may be a debatable question whether that control has been as adequate or as complete as the circumstances warrant. But whether it was or was not complete, the fact remains that during all this period we have had control of the issue of currency.

In the second recital my hon. friend has taken in rather large territory. The second recital reads:

> Whereas, the transfer of this function to private interests to be used as a means of profit rather than as a public service has enabled those controlling finance to dominate every phase in the industrial and economic life of the nation. . . .

I do not propose to discuss that second recital at any length, but I wish to take exception to the very sweeping statements which it contains. Nor do I intend to debate the last assertion, that those who control finance dominate every phase of the industrial and economic life of the nation. But I do wish to make one or two observations with respect to the third recital, because it seems to me that it puts forward a point of view which gave colour to the whole of the utterances of my hon. friend from Camrose

in moving the motion. The third recital reads:

Whereas, the depressed and chaotic conditions which now prevail would indicate that this financial control, as at present exercised, has proved itself detrimental to the best interests of the people of this country. . . .

As I understand that language, the hon. gentleman takes the view, so common in many quarters not only in this country but in other countries, that the present world depression is largely if not entirely attributable to matters of finance—financial control of the issue of currency, gold coverage, the questions of silver and gold, and all the various matters having to do with finance. As I said at the beginning, any views I have with respect to finance I submit with very great humility. But we can be guided in these matters by the experience not only of the past but of those who have made a study of them; and in this connection I would direct the attention of the house to page 4 of what for convenience, and to avoid confusion, I will call the British Macmillan report. This statement appears:

A period of economic depression such as that which the nation is now experiencing is a testing time for all our institutions, political, social and economic. Systems which in periods of prosperity have worked satisfactorily enough may at such times be found incapable of sustaining the stresses and strains of adversity and may disclose defects hitherto unsuspected. Machinery designed to work within a given range may jam when that range is exceeded. Moreover, there is a natural tendency on the part of the public to seek a scapegoat for any distress which may befall it and preferably to attribute that distress to any cause rather than its own shortcomings. In the search for a cause which should absolve itself from blame the public in the present instance has not been indisposed to find it in our financial system, none the less readily that refutations of the accusation are little likely to be appreciated. Accusation is always easy; defence even though well founded is often difficult. And what is least understood is apt to be most suspected. It has been our main task to examine the available evidence in order to ascertain to what extent, if any, the attribution of the present distress to monetary causes is justifiable, and then, so far as possible, to suggest remedies for any defects in the system we may have discovered.

Perhaps it would not be amiss if I were to refer to one other paragraph while I am on this point:

An important thing to bear in mind is that financial policy can only be carried into effect by those whose business it is. We have in this country a great financial and banking organization, with great experience and great traditions. It is through and with that organization that we have to work, for they alone are the repositories of the skill and knowledge and they alone possess the equipment necessary for the management of our financial affairs. Their views and opinions, however they may fail to commend themselves to enthusiastic reformers, are factors to be reckoned with just as much as the views and opinions of trade unions have to be reckoned with on questions of wages and working conditions.

[Mr. Rhodes.]

On this same point the British Macmillan Commission went into matters at very great length. I do not know that it would be wise to read the whole of their observations as set out in the chapter beginning at page 92 under the title, "The Influence of Monetary Policy on the Price Level." I will cite their opinion, given after they had weighed the evidence carefully, as to the relative effects upon the existing condition, more particularly having to do with the price level, of monetary as against economic causes. Here is their conclusion:

Our view is, therefore, that the price level is the outcome of interaction between monetary and non-monetary factors, and that the recent world-wide fall of prices is best described as a monetary phenomenon which has occurred as the result of the monetary system failing to solve successfully a problem of unprecedented difficulty and complexity set it by a conjunction of highly intractable non-monetary phenomena.

I might read the following sentence for the benefit of my hon. friends, the mover and the seconder of the motion, who were so confident of the ground upon which they stood:

Whether the international monetary system could have solved its problem is a matter on which we should hesitate to express a dogmatic opinion.

And then they go on further along the same lines.

Mr. IRVINE: What is the point about it?

Mr. RHODES: The point I had in mind in making this citation was to indicate that there might be other points of view and that this is not a matter with respect to which one can give an Olympian opinion. I cite this as the mature judgment of a committee that had gone into the matter at length, a committee that has commended itself to the great majority of the members of the house and, if I mistake not, to the gentlemen in the area whence this resolution emanated.

One is tempted in connection with a document of this character to make, perhaps, more quotations than the house would care to listen to, but I cannot refrain from making specific reference to a portion of the one paragraph, No. 297, to be found at page 126 of the report of the British committee on finance and industry. I may say to the hon. member for Camrose that this is an answer to the, if not dogmatic, at least implied, assertion not only in his motion but in his manner of addressing himself to it, that all our ills are attributable

to monetary causes and that the condition which obtains in the world to-day could be cured by monetary policies. The paragraph reads:

> We have already referred in this report to many non-monetary causes of disturbance, such as political troubles, war debts, seasonal variations, over-production in some direction or other, changes in tariffs; the collapse of the silver exchange, large changes in fashion and in demand, embarrassments caused by budget deficits or over-borrowing by governments, rigidity of internal economic conditions, and lack of confidence resulting from all these.

And so forth. Therefore my hon. friend will, I think, admit, whether he agrees with that assertion or not, that at least in the opinion of those who have given grave study to this matter there are factors of very great importance having a bearing upon it, other than those of purely monetary concern.

In this connection, and following out the idea to which I have endeavoured to give utterance, I was rather struck with a paragraph in a book recently published called The Economics of Recovery, written by Colonel Ayres of Cleveland in the United States. Perhaps it would be well for me to give it in full, because he comes to precisely the same conclusion as does the British Macmillan commission, if indeed he does not go a little bit further. He says:

> The explanation of the nature of the depression set forth in outline here belongs in that third group. It holds that the depression is one of the major after-consequences of the war, and that its advent was almost inevitable once the great war had taken place. The fundamental principle is that the huge and abnormally distributed material and financial demands of a great war must inescapably disrupt and disorganize any system of production and distribution whether in a planned or an unplanned economy, and whether under a capitalistic, a communistic, a socialistic, or any other system of society. The true lesson of this depression is that we cannot afford any more great wars.

It seems to me that there is much to be said for the point of view expressed in the quotation which I have just given. With a subject as broad as this one could cover a wide field, but may I point out that the resolution itself calls upon the government to give immediate consideration to the reassumption of this responsibility, that is the government issuing a currency, and so forth, as outlined in the preamble to the resolution. May I say to my hon. friend that in the legislation which is forecast in the speech from the throne and which will be all brought down at an early day, the government is giving immediate consideration to this very matter, and also to the creation of a national system of credit and finance to be controlled in the interests of the people and under the jurisdiction of the federal parliament.

The hon. member for Battle River proceeded to discuss details of the administration of the Finance Act, a subject which will be fully covered when the Bank Act and the other acts including the Central Bank Act are being considered by the house. I do not know that any good purpose can be served by our trying to cover the field one, two or three times when it will be so fully discussed not only on second reading in the house but for a long period of time, I fancy, before the banking and commerce committee where our views may be expressed pro and con more fully than can be done in open debate in this chamber. It seems to me, in view of the fact we are going to deal with these very matters in considering the several government bills which have been forecast in the speech from the throne and which will be before the house at an early day, no good purpose can be served by prolonging this debate, or so far as that is concerned, by pressing the matter to a division. I take it we are all agreed that the measures which the government have in view are, so far as principle is concerned, acceptable to the whole house; whether or not they are acceptable in their various details is a matter which can be determined when they are actually being considered. I trust, inasmuch as my hon. friend has had an opportunity to express himself upon the principles outlined in the resolution, it may meet his purposes, in view of what I have said, to withdraw the motion.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, this subject has been discussed from this corner of the house quite often during the past ten or twelve years and our viewpoint, whether erroneous or otherwise, is pretty well known to hon. members, so that I do not now propose to launch out into an explanation of the monetary policies which we have advocated for so long. But frankly I am somewhat disappointed at the apparent lack of interest that has been shown, at least so far, by the house in regard to this resolution. Some of the speakers have indicated that the subject of finance, banking, credit, debt and so forth is one of great interest in the country and in the world to-day. Judging from the lack of interest in the house at the moment, I am wondering whether they are right in saying that. I have heard some hon. members, speaking to audiences in the west during the last year or two, wax eloquent

about the piracies of bankers and all that sort of thing, but I do not see them now on their feet making an attack that they could make here where it would be more effective. I am rather surprised to find that is so.

I am even more surprised with the reply made by the hon. Minister of Finance (Mr. Rhodes). Of course I must forbear from criticizing his speech too severely owing to the humble confession he made at the outset of his remarks, an implied confession, at least, that he knew absolutely nothing about the subject. When a man, either in the House of Commons or elsewhere, makes that frank statement, it would be cruelty on the part of anyone to follow with a ripping speech of criticism, so he has disarmed me at once. I also noted the implied sarcasm of the reference to someone who had discovered all the people in the world who knew about banking and had not included among them any Canadians. I would suggest that the gentleman who wrote the article or made the speech in which that statement was contained should certainly have included the Prime Minister of this country (Mr. Bennett), even if he forgot the hon. members in this corner and the Minister of Finance. But it has always been part of the superstition and camouflage with which finance is surrounded to assert that it is a subject impossible to understand, therefore we must leave it entirely to those in whose hands now lies the power to deal with the financial affairs of this country. May I say to the Minister of Finance that if we discovered nothing else during the investigation at the last revision of the Bank Act, we did discover that the bankers did not know anything about finance at all. Their statements of ignorance stand in the records of the committee investigating the subject, to be seen by anyone who wishes to examine them.

In spite of the supposed wisdom that surrounds those who handle finance, and in spite of the suggestion that it is too profound for the lay mind, I venture to say it is not nearly as profound as hon. members sometimes suggest. I would further say that it is certainly within the compass of any average mind to understand at least the general principles of the financial system now in vogue, and to trace to the application of those principles some of the greatest evils and greatest difficulties with which the modern world has to contend in its economic and social life. The Minister of Finance suggests that since the resolution only asks that the government give immediate attention to taking control of finance, that is now being done, inasmuch as the Bank Act and the Finance Act will come up for consideration and revision during the present session. If that is so, then I assume that the government is accepting the resolution, because if they are already determined to do what the resolution asks for I cannot see that the minister has any reason to reject it.

But let me point out to the minister in that connection that the revision of the Bank Act is not nearly as important as the way in which it will be revised. Revision does not necessarily include a discussion of whether or not finance in Canada should be taken out of the hands of the individuals who conduct it for profit and be handled by the state or by somebody created by the state and instructed so to handle money that it may carry out its specific economic function of facilitating the production and distribution of goods within the nation of Canada. I say there is a very great difference between the subject matter of this resolution and the mere revising of the Bank Act. I wonder whether we will be allowed to discuss the wisdom or otherwise of nationalization of banking when the question of the Bank Act comes before the house. I want to make clear that the thing that is of most interest is not the mere fact of revising the Bank Act. It is not enough for us that we stroke the t's and dot the i's of that act and make insignificant alterations here and there; the significant thing for us is to know what is going to be the basis of our financial system during the next ten years, what shall be the objective of the financial institutions which we set up in this country, in relation to the economic and industrial requirements of the state. These are the questions that we are interested in, and the questions embodied in the resolution so eloquently moved by the hon. member for Camrose (Mr. Lucas). The resolution is predicated upon a well known, and I think indisputable fact, that it is the junction of the state to handle the financial affairs of the state; that the right and power to issue currency and to control credit originally was vested in the state, and constitutionally as far as we know is there yet. But something has happened in Canada. I am not clear as to who made it happen, nor do I know the intricacies of the process by which it was brought about, but it does appear now that the authority to control credit is no longer in the hands of the state, at least directly. It has been delegated to another authority. That authority is permitter now to carry on the credit and financial services of the state for private gain. If you take up an ordinary bank note—those who are fortunate enough to have any of them—and look at it you will discover that the king's head no longer appears thereon, but the heads of bankers.

Of course bankers' heads may be as good as kings' heads; I am not comparing heads, but I am indicating that something has happened. The symbol of authority has been changed. We have gradually changed from the authority of the sovereign to the authority of a financial group, which put its own physiognomy on the currency of the state. That, I say, indicates that the direct authority has passed from the sovereign, from governments, from parliament, and gone into the hands of institutions that have no responsibility to anybody, institutions whose object is to make profit. Although this is in perfect harmony with the ethical idealism of capitalism to make profit, it is objectionable as applied to money in particular, because that is something which owing to its universality and indispensability is within the prerogative of the state alone, and should not be entrusted to any private individual or corporation whatsoever.

So I say that the resolution is predicated on what we have always regarded as true, that the state should control the issuance of currency and the administration of credit. It would appear that we no longer have that authority, for indeed the state itself must go to that body to which it has delegated this power, to borrow from time to time for the carrying on of its own public business, thus raising by a pyramiding system a national debt which, while Canada is perhaps not as badly off as many countries, cannot be paid in any country of the world where the system is used, and I think that includes every country.

The next clause of the resolution indicates that the transfer of this power has been made; and I have briefly shown that that is the case.

Then the third "whereas" of the resolution, to which the minister took exception, indicates that as this financial system has been administered under private control it has been demonstrated to be not to the best interests of the Canadian people during the present economic crisis. The chief objection of the minister, as I gathered it, was that there may be a number of causes contributing to the present economic situation. Of course I am quite ready to admit that this may be so, and the resolution does not say it is not so. The resolution is not all-embracing; it does not say that the control of finance must be regarded as an explanation for every detail that is wrong in our present economic situation. It does not say that; it does not make any estimate of the effect of finance at all. It merely says that finance, so far as it has a bearing upon the problems of to-day, has not been handled in the best interests of the Canadian people and I suggest to you, sir, that the minister did not disprove that point, nor indeed did he attempt to argue it. He quoted from the Macmillan report, showing that a number of other elements in addition to finance must be regarded. I was surprised when he went on to say that one of these factors to which the crisis could be attributed was tariffs.

If I had time, sir, I would be prepared to argue—and I should be surprised if the Prime Minister would take issue with me—that one of the reasons why he had to do with the tariff what he has done is exactly a financial reason; that any country owing money abroad can only meet its obligation in regard to those borrowings by exporting goods, and that can be done only by shipping out more than is shipped in. One of the instruments by which it is possible to bring about that result is the tariff; therefore even tariff policy is strictly a financial proposition. No country in the world that owes money to another can wipe out tariffs or lower them, even at the will of a majority of the people, who may not understand that to do so means the financial collapse of that country under the present financial system. Tariffs can be lowered only when the financial system is changed.

What the resolution asks the government to consider is the setting up of a financial system that will not tie us to the apron strings of Wall Street and that will not paralyze the entire economic and commercial life of Canada merely because someone was foolish enough to go to Wall Street to establish credits when we had credits in Canada in abundance, only we did not have either the sense or the will to use those credits, which could have been done without piling up interest charges that were unnecessary. That is the chief reason why this resolution has been moved.

Now we come to the resolution itself and what we ask the government to do. We ask that immediate consideration should be given to the resumption of the responsibility by this government and this nation of the prerogative, if you like, of issuing and controlling the financial requirements of the state. We are asking that consideration. Of course we do not know what is to happen; the government may be going to give us a national banking system. We are not criticising the government at all in that respect, because we do not know what proposals will be made. But surely the only thing a private member

of this house can do is to bring in such resolutions as this to indicate at least what we think should be done and what we think the people whom we represent would like to have done, in order to assist the government as much as we can—if the government are thinking about what is the relation of the people to legislation, as I believe they are—to come to their conclusion as to whether in the next ten years our financial institutions should be handed over by statute to the complete domination of private individuals or whether we should make an attempt, an experiment if you like, to administer them through the government or through a body directly responsible to the government, that will be amenable to policies which the government, in the interests of the economic life of the country, may be called upon to lay down from time to time.

The bank charters will be up this year for either extension or curtailment, and I have no doubt it is in anticipation of that very fact that the hon. member for Camrose (Mr. Lucas) brings forward his resolution. Therefore this resolution is timely; it gives us an opportunity to reflect upon the most important feature of the whole business of revising the Bank Act, as to whether or not we shall assume the power now possessed by the bankers or continue to extend it to them.

I should say briefly that our banking system is resting upon a wrong basis, and I say this with all due deference to the wisdom that is supposed to surround those who speak about finance. It is on a wrong basis, because up to the present time it has been based upon gold, and there is simply no conceivable intelligent relationship between the amount of money which may be required by a state in order to distribute the goods in that state to the people who produce them and the amount of gold which may be found now or at any other time on this planet. So to that extent it is entirely absurd to continue that basis. The second reason is that gold has an intrinsic value in itself, while the function of money is to become a medium of exchange. To use a medium which in itself has intrinsic value is practically impossible, for then the medium ceases to be a medium and itself becomes a commodity.

Another weakness in that basis is the one which we have had demonstrated so grievously in Great Britain, Canada and other nations of the world during the past few years; that is, that gold lends itself so easily to manipulation on the part of one nation as against another that it can be drained out of one country, bleeding that country white and leaving its industrial life prostrate and at the mercy of a nation in competition with it for such markets of the world as may remain. The next weakness of the present banking system is the wrong motive behind it. It is not, or should not be, the motive of a financial system to make money out of money. You can plant potatoes and more potatoes will grow; you can breed hogs and they will produce more hogs, but you can plant bank notes for all eternity and no bank notes will be produced. The private individuals who handle an institution of that sort assume a tremendous responsibility, and to allow them to interject a private motive into the handling of such an institution is courting disaster. Indeed that disaster has already befallen us.

Let me give an example of the impossibility of the present banking system, and instead of banking I should say the financial system because I am not criticizing our banks as banks. I have no doubt they can add up figures as well as anyone else. I have always found that they could estimate credit perhaps too well; I always had difficulty and no doubt properly so. I am not criticizing them in that regard, nor am I criticizing them for what has been brought about. The conditions in Canada to-day must be chargeable to the members of this house during all the sessions that are past, and if we do not take steps to remedy those conditions they will be chargeable to us to-morrow.

As an example of the impossibility of the financial system, let us look at this: Here is the basis and the principle upon which money may be issued, and I think in our textbooks it is so stated—that money is the symbol of wealth. Therefore, if you have wealth you should never lack in the ability to move it or distribute it for lack of the symbol. Since money is the symbol of wealth, somebody should have the authority to make the symbol when it is necessary to move the wealth.

Let us imagine we are going to move a steel rail costing $100—I do not know just what they cost—for a railway, and let us say that we have to create $100 before we can move that steel rail. Very well, we do so. We move the steel rail into the Canadian Pacific Railway yards to do service, and we move the $100 into the bank till. After twenty years that $100 has become $200, and the steel rail is worn out. And so on. Wealth perishes, but you can go on pyramiding your finance, augmenting and growing and multiplying itself in a regular geometric progression until it reaches the enormous figures

that we see represented in the world debt to-day, and which debt cannot be met by any country in the world. The only thing with which that debt can be met is real wealth—goods and services consumed by the people of any age and any time, but under the present financial system goods are not accepted for monetary debt.

The next thing is that banking in Canada exercises an obviously wrong technique. It looks upon money as a commodity, and it proceeds to manipulate money on the basis of a commodity. Money is not a commodity. It is the symbol of commodities, and it must be differentiated entirely in its operation and in its function from that of a commodity. It is precisely because the banking systems of the world, not of Canada particularly, but all banking systems, treat the medium of exchange as a commodity, that this process of creating debts goes on, and as long as that is done we cannot avoid such difficulties as those with which we have had to contend very recently.

Let us look at one feature of the results of this system. One of the great financial critics of this time has put the matter in as simple a way as this. He says: If you will put the money on the table there is no commodity produced in the modern civilized world that you cannot have. If you put the money on the table, yes. Now we have evidence that there are a great many more things produced in Canada than we have money on the table with which to buy them, and what sort of financial system is it which, in order to save figures in a book and pyramid them as debts to posterity, will allow real wealth actually to rot in front of our eyes while the peoples of the world are starving for lack of these very goods, and this because of the lack of money?

I do not say, Mr. Speaker, that the financial difficulty is the only one. I do not say that if we could find a better way of carrying on our financial institutions all economic problems would disappear, but I do say that some of the present difficulties are chargeable directly to the maladministration of finance. This parliament should be interested in finding out to what extent that is so. It should be interested in learning to what extent our difficulties to-day have been brought about through the maladministration of finance, in order that we may use the opportunity which parliament gives us to correct that condition in so far as it may be corrected.

Of course, we in this corner are always willing to learn. When we try to make an argument we may sometimes sound very dogmatic, but really we do not feel dogmatic. Nobody I suppose could be more humble in his appreciation of how little he knows than we are over here, and the only thing that saves us is that little as we do know, we know that we know just about as much as anybody around us. That is the only excuse we have. But if there is anybody else who has a better suggestion than we are offering we shall indeed be very glad to know what it is. But we do like to see some consideration given to what we have been studying for many years, a subject which has been brought to the forefront by sheer necessity in every country in the world to-day, and which now is the very centre of consideration in national and international policies in every country in the world. I am not saying that the government is not giving the subject that consideration. I do not know what sort of a Bank Act we are going to get. We are taking this step, I repeat, to safeguard, so far as we can, the legislation and see that the Bank Act, when it comes, will be a better one than we now have. We wish to see that in our financial structure in Canada we do not have such things as have taken place in this and in other countries by this pyramiding, this debt-creating method, creating a debt which cannot be paid. I imagine that Canada with her splendid resources can come nearer to paying her debts than any other country, but I assert that no country in the world to-day can pay the debts that the debt-creating banking systems of the world have built up on the backs of the people as a whole and on the backs of individuals. Somehow or other the private and the public debts of this country must be reduced, and be reduced not by starving ourselves because under the debt-creating systems we have started something going, the creation of a debt which we can never pay even if we never went into debt any more than we are at the moment. We must have a system which, instead of asking us to deny ourselves of the abundance with which we are almost smothered, in order to pay interest and to safeguard certain outworn fetishes about money, will distribute to every Canadian all the goods that he wants or is interested in working for, and which will see that no goods will be destroyed in this country through the lack of the means of moving them to the consumer. That is a policy which, regardless of any international financial complications whatsoever, can be settled in Canada.

I hope, Mr. Speaker, in spite of the rather discouraging remarks of the Minister of Finance (Mr. Rhodes), that the government will at

least accept our resolution in the spirit in which we are offering it, and thus bear out the statement of the minister himself when he said that the government is giving immediate consideration to this question. If it is, there is no reason why our resolution should not be accepted.

Right Hon. R. B. BENNETT (Prime Minister): Before the motion is voted on I should like to add my voice to that of the Minister of Finance (Mr. Rhodes). He pointed out that the very matters which are suggested for our consideration must necessarily be dealt with in the Bank Act, notice of the introduction of which now stands upon the order paper. The whole question of currency is involved in the Bank Act and in the central bank bill, and as well the question as to the issuing power, whether the state or the privately-owned institutions to which reference has been made shall issue notes—all that has to be considered. As we shall have to debate these matters later, why should we prolong this discussion in view of what has been said, when we know that when these bills reach this house they will be discussed, and when they reach the committee be discussed again at still greater length? The reason they are upon the order paper early is that they may be given their second reading and get to the committee on banking and commerce without delay. The notice standing in the name of the Minister of Finance for the first reading of the bill for the extension of bank charters will be moved just as soon as the printing is completed, and with respect to the central bank bill it is expected at least that we shall be able to place it on the order paper next week and get it through its second reading, when the fullest opportunity will be afforded to every member of the house to express his views. I assure the hon. gentleman who has moved this resolution and those who have spoken upon it that the questions to which they referred are to be dealt with in those bills. Full opportunity will be afforded in the discussion of the government measures to deal with every phase of the questions which have been so fully and, shall I say, so amply dealt with by the hon. gentlemen. That being so, the government is not compelled, as it would be by the very nature of things, to oppose this resolution in view of the fact that its bills will deal with these matters. The purpose aimed at, namely the bringing of the matters in question to the attention of the government, has been served. I might say that that was wholly unnecessary because, as I have indicated, these matters are to be dealt with in the legislation to be introduced. I expect this legislation will be down next week unless something happens to delay it in connection with the translation or other matters of that sort. I assure the house that every opportunity will be given to discuss all the phases of the questions raised by the hon. gentlemen.

Mr. LUCAS: Mr. Speaker, the Prime Minister (Mr. Bennett) has given us assurance that we will be able to discuss fully these matters when the government measures come before the house. I should like to know if the fact that this resolution has already been debated will debar us from again discussing this question?

Mr. BENNETT: I was rather surprised at the hon. gentlemen coming forward with their resolution in view of the fact that the rules of the house provide for what they do provide. I rather thought that when they saw the bills on the order paper they would defer their discussion. I can hardly say that the Speaker may or may not regard it as a second discussion upon the same matter, but I do say that the government will not offer any opposition to the discussion of these subjects upon the second reading of the bills. They would have to be considered from another angle, that being the angle from which they are dealt with by the government in the measures in question. The government will not offer any opposition to discussions during that debate upon any phase of the matters to which this resolution refers.

Mr. LUCAS: Mr. Speaker, in view of what the Prime Minister has said, and not wishing to prolong the discussion, I beg leave to withdraw the resolution.

Motion withdrawn.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, January 30, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, the amendment thereto of Mr. Mackenzie King and the amendment to the amendment of Mr. Gardiner.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, in common with the other members who have spoken on the address in reply to the speech from the throne, I desire to congratulate the hon. members who moved and seconded that address. Of course, I was not able to follow the mover (Mr. Gobeil) entirely as I am

not familiar with his language, but the seconder (Mr. Barber) seemed to me to make a very temperate speech. He had a very difficult subject to handle. The one outstanding feature of his remarks was the fact that while lumbering and mining in British Columbia had enjoyed some improvement, the dairying and fruit industries were not in so happy a position. The policies of this government have been to provide assistance for the secondary industries with a consequent demoralizing effect upon the primary industry of agriculture. That is true all over Canada. The Prime Minister takes a good deal of credit for the increased sale of fruit enjoyed by the apple growers of the Annapolis valley. I do not see how the British Columbia fruit grower is enjoying any benefit from the policies of this government, because on the prairies we are buying apples cheaper than ever in my experience. That may be attributed to better shipping facilities, but that is the fact nevertheless, and in consequence the fruit growers of British Columbia, as admitted by the hon. member for Fraser Valley (Mr. Barber), are the sufferers.

I shall not have time to cover in detail all that has been said, because the situation has been very ably dealt with by my leader. He spent four hours dealing with the question and the Prime Minister devoted about the same time to a reply. So far as I can see, though he made a splendid speech in defence of his position, what he said did not in any sense answer the statements made by our leader, that the country is in a deplorable condition. I understand that members of the government regard as infra dig any reference to the state of affairs in the country to-day. Well, it was not always so; it was not so in our day, and I propose to deal with some of the statements made by the present leader of the government in 1930, when conditions were not nearly so acute either in agriculture or in the manufacturing industry. Employment, we are told by the Department of Trade and Commerce, is in a much better situation than it was at the zero hour in 1932. I will not go into details. I have no quarrel with the statisticians who prepare the reports, but I will say that, with mighty few exceptions, and we might as well know it, throughout Canada to-day, there is more unemployment in the municipalities than there was at that time. There are more people on relief, and if that is true, how in the world can there be an improvement in the situation?

What did the Prime Minister say about unemployment? He complains about our dealing with this matter just now; he says that we are unfair in our statements. I simply take the records of the commissioners of relief in the various districts throughout Canada as an indication, to show the state of unemployment to-day. It must be borne in mind that during last year the government has had to put a very considerable number of people on relief employment, and they are credited in the statistical statement given by the Department of Trade and Commerce as persons employed. The statement is made that 146,000 more are employed to-day than in 1932. I reiterate that if the statements of the commissioners of relief throughout Canada are true, then that statement is not correct. And I do not see how the situation will be remedied if the policies pursued by the present government are to be continued. We cannot expect any other state of affairs, despite what my hon. friends to the left say, as to the need of a complete new system. I do not agree with that, but I certainly agree that we need many changes in the present fiscal policy of this government.

The complaint is made that we are making a great deal of the unemployment situation. What did the Prime Minister say in 1930? He said that unemployment existed then on a scale never before known in the history of this country, and this by reason of the policies of the Ottawa government. If the Ottawa government was responsible for 117,000 unemployed in 1930, then the Ottawa government is responsible to-day for 1,500,000 unemployed.

An hon. MEMBER: You are wrong there.

Mr. STEWART (Edmonton): I am stating facts. The statement of the present Prime Minister in 1930 was that the Ottawa government was responsible for unemployment. He said something else. He said that unemployment was then on a scale that demanded that it be treated as a national emergency. Has he treated it as a national emergency? What else did he say? He said that the Liberal party was trying to evade its responsibility. He was going to give work, not doles; it was a national matter, and as such it was to be taken over by the federal government. Well, he has not kept that promise in one particular. He ridiculed the statement of my leader, that unemployment was first the responsibility of the municipality, secondly, the responsibility of the province, and, if necessary, that relief should then be furnished by the federal government. But what has this government done? After ridiculing the proposal of my leader, the Prime Minister has not departed in any respect from that

policy. We now have the proposal of a public works program to be instituted by this government, over which they will have complete control; but so far, with the single exception that the Department of National Defence is giving employment to a number of unmarried unemployed, this government has done nothing but issue relief through the medium of the provincial governments. If it is not doles, what is it? This country is on the dole to an extent never known before, put on the dole by the leader of this government in direct defiance of the pledge given to the electorate of Canada upon which he was elected and now sits in this house. But that was not the only pledge he gave; he gave many more. A great deal was made of unemployment at that time and the right hon. gentleman promised work and not doles. There has been no work however but rather doles, in direct contradiction of the promise he made on that occasion. He said that every man who was willing to work would have work; and on one occasion he said, "Let us not be deceived; let us get to grips with this problem; let us have action, not words." That must be very satisfying to the men on relief to-day. He said:

> I am a man, just as you men who are here, one of your fellow citizens. I have responsibilities, as every man in my position has, and I must not lightly make statements that I am not prepared to the last syllable to carry into effect. And I will not.

I leave it to the judgment of hon. members, to what extent these very solemn promises made by the Prime Minister of this country are being carried into effect to-day.

Mr. POULIOT: None.

Mr. STEWART (Edmonton): I know the problem is a difficult one. We knew it was a difficult one in 1930; we were fully aware of that fact, but we did not then and do not now propose to make to the electorate promises that we will utterly fail to implement or even not try to implement; yet this government has done so. I do not intend to say more about unemployment; I am going to delay further remarks upon this question until the bill is introduced to provide work; I hope the bill will provide work and that some attempt will be made by the government to keep some of its promises on which they were elected. A country like Canada, with all the latent natural resources possessed by it, has no licence to be in the unfortunate position she is in to-day with respect to unemployment, and I lay responsibility for that at the door of the present government.

[Mr. C. A. Stewart.]

The leader of the party to my left (Mr. Gardiner) the other day took exception to the statement of my leader (Mr. Mackenzie King) that the gentleman recently appointed to the tariff board was a Conservative; that he was not a Progressive. I may say to my hon. friend that I never heard a better Tory speech delivered in this house than the one delivered by that same gentleman who then represented Mackenzie. He sought during forty minutes to prove that the Liberal party by their policies had a higher average tariff than that imposed by the Conservatives. If my hon. friend was under any illusion about where that gentleman stood, subsequent events must have dissipated it to some extent when he was appointed to the tariff board because I have not noticed this government being very generous to opponents who opposed them vigorously. This appointment will be one in a list of hundreds, and on every occasion the government took good care to see to it, as they had a right to do, that those appointees were men of opinion similar to their own.

Mr. POULIOT: The former member for Mackenzie was a whitewashed sepulchre.

Mr. STEWART (Edmonton): May I give my hon. friend some of my reasons for making those statements, because I think it is important on questions of tariff that we reiterate from time to time the exact position of the application of tariffs by the two historic parties. I am going to give figures in connection with well known imports, imports that are used every day. I have under my hand a table of comparative tariff rates under five different tariff programs. The rates are as applied to imports from Great Britain—rates against other countries under the Bennett or the Bennett-preference tariffs are unbelievably high. I take first cotton printed piece goods, a commodity that goes into every home. The rates are as follows:

Government—	Rate Per cent
Conservative—Borden	25
Conservative—Meighen	25
Liberal—King	18
Conservative—Bennett	61
Conservative— British preference	58.5

Then there is white cotton flannelette, another commodity used more or less in every home in Canada:

Government—	Rate Per cent
Conservative—Borden	17½
Conservative—Meighen	17½
Liberal—King	15
Conservative—Bennett	55
Conservative— British preference	52

I take next wool piece goods, another commodity which goes into every home. These items are chosen designedly, because they affect practically every home in Canada:

Government—	Rate Per cent
Conservative—Borden	30
Conservative—Meighen	30
Liberal—King	24¾
Conservative—Bennett	68
Conservative—British preference	64

Wool Overcoating

Conservative—Borden	30
Conservative—Meighen	30
Liberal—King	24¾
Conservative—Bennett	100
Conservative—British preference	93

Let me take high-grade suitings, another article that is worn by many people in this country although, may I say, not so many of them are being worn to-day because the tariff keeps them out:

Government—	Rate Per cent
Conservative—Borden	30
Conservative—Meighen	30
Liberal—King	24¾
Conservative—Bennett	72
Conservative—British preference	68

Hosiery, Wool

Conservative—Borden	25
Conservative—Meighen	25
Liberal—King	18 to 24¾
Conservative—Bennett	92
Conservative—British preference	82

Blankets

Conservative—Borden	22½
Conservative—Meighen	25
Liberal—King	20¼
Conservative—Bennett	106
Conservative—British preference	78

Axminster Carpets

Conservative—Borden	25
Conservative—Meighen	25
Liberal—King	22½
Conservative—Bennett	106
Conservative—British preference	80

Farm Implements
Mowers and Binders

Government—	Rate Per cent
Conservative—Borden	12½
Conservative—Meighen	12½
Liberal—King	6
Conservative—Bennett	25
Conservative—British preference	25

Cultivators, Harrows, etc.

Conservative—Borden	20
Conservative—Meighen	15
Liberal—King	7½
Conservative—Bennett	25
Conservative—British preference	25

Ploughs

Conservative—Borden	20
Conservative—Meighen	17½
Liberal—King	10
Conservative—Bennett	25
Conservative—British preference	25

Cream Separators

Conservative—Borden	Free
Conservative—Meighen	Free
Liberal—King	Free
Conservative—Bennett	Free
Conservative—British preference	25

Barbed Wire

Conservative—Borden	Free
Conservative—Meighen	Free
Liberal—King	Free
Conservative—Bennett	Free
Conservative—British preference	10

When one of my hon. friend's colleagues in that group will from his place in this house take the responsibility of trying to lend colour to the statements made by hon. gentlemen opposite, we have grave doubt about his being entirely progressive in his ideas, because hon. gentlemen whatever they may claim in the house, go out into their constituencies and invariably tell their electorate that they are for a lower tariff than was ever received from a Liberal party; they try to secure votes that are naturally Liberal, on the ground that they are more radical in this regard than the Liberal party has even been. I have had some opportunity to watch my hon. friends during the past few years and know something about the kind of propaganda they are carrying on. It has never been directed very seriously against hon. gentlemen opposite, indeed my good friend, the hon. member for Wetaskiwin (Mr. Irvine) has gone to the extent of saying that there is no need to hold up the sins of the party who sit on the opposite side of the house, because they are beyond recall, the electorate are through with them. But he devotes a great deal of attention to the Liberal party in Liberal centres in western Canada.

An hon. MEMBER: They all do.

Mr. STEWART (Edmonton): I suppose they do. I quite concur in the amendment moved by the hon. gentleman the other night. We do want the electors of western Canada to know where the Liberal party stands with

respect to hon. gentlemen sitting in that corner of the house. May I say further, hon. gentlemen there make a great deal of a new social order. I say to them, go home and study the records of your own government that you have had in Alberta for the past thirteen years; if you are proud of that record, if you think they have been economical—they have been anything but that—if you think they have not put a burden upon the taxpayers of Alberta too grievous to be borne, then I will take back everything that I have said. I am alarmed about the situation in Alberta from a financial standpoint, gravely alarmed. I want to say to my hon. friend that his fears, and the fears of the gentlemen who support him, that they may be in any way contaminated by association with the Liberal party, may be set at rest at once.

Before leaving this question, I admit that there has been some improvement in the textile industry, in the silk industry and in boots; there has been some added employment. But when I inquire of people from those localities as to the wage scales being paid I am astonished to learn that the lowest scale of wages in the history of those industries is now in effect. That requires some explanation. My hon. friend the Minister of Trade and Commerce (Mr. Stevens) is becoming exercised about it, I see. He says it is necessary to have an investigation into the methods of conducting business in this connection. What does my hon. friend expect, when the government to which he belongs gives this prohibitive protection to these industries? Did not his Prime Minister promise that he would see to it that labour was protected in these manufacturing industries that enjoy such a large measure of protection? But they are a little late in seeing that they are protected. What is happening to-day was foretold in no uncertain manner by hon. gentlemen on this side of the house. The government was told that if they gave this measure of protection it would never reach the employee. It never does, it goes in excessive profits to the manufacturer himself. Indeed, I am credibly informed—I am going to ascertain the exact truth of the matter—that in western Ontario there is one individual engaged in the production of silk stockings and silk underwear who stands to make a profit of well over $200,000 this year, and he is paying the lowest wages he has ever paid. I will get that verified, I do not want to make that assertion without absolute proof. But there is need for investigation, and I expect my hon. friend will see to it, when the investigation comes on, that labour has ample opportunity to bring these matters to light, and that if the government have authority to interfere they will interfere at once and stop this kind of thing in these few industries that are making extravagant profits out of the necessities of the people of Canada.

One reason why there is increased prosperity in those manufactures is,—I can say it with full assurance in respect to the country from Winnipeg to the mountains at least,—that every family in western Canada is down to bare bones as far as boots and shoes and clothing are concerned. There is not an individual who can be excepted. They are in a position where of necessity they must buy. And may I say to my hon. friends that this government are not thinking, and never have thought, about the condition of fifty per cent of the people of Canada who live on the land and make their livelihood out of farming. It is little wonder that I hear from day to day the statement made that the government have gone mad in their national policy of excessive tariffs that give the manufacturers of this country the opportunity to exploit the people. In western Canada we were unable to buy new implements. We would buy millions of dollars worth if we were in a position to do so, but as it is we are getting past with hay wire and similar makeshifts to keep these implements together. So of necessity we have to buy parts, and buy them in quite a large extent at an increase of 30 per cent. Then in order to cover our bodies we are forced to pay tribute to these manufacturers in eastern Canada who have been given such high protection. The government should at least see that decent wages are paid the employees.

These are some of the things that I think need to be said to the government. I appreciate the difficulties with which the government is faced. May I say to my hon. friend the Minister of Finance that there is no individual for whom I have greater respect and greater sympathy, for he has to raise the revenues of this country under the difficulties imposed by the fiscal policy of the government. He is constantly in the unhappy position of failing to balance the budget, and forced to go into the money markets of the world to borrow more money to add to the capitalized debt of Canada. Where are we going anyway? I have heard it said by representatives of this government that the western provinces were extravagant. They have been extravagant. They did not take advantage of the good times between 1922 and 1930, but went on spending money. However, I make this statement, that they are no more

deserving of blame than hon. gentlemen opposite have been since 1930. When it is considered that the minister has had to add to the capitalized debt of this country over $400,000,000 since taking office, it is a matter for serious thought. When he cannot by any method of budgeting increase his revenues to an extent sufficient to take care of ordinary expenditure, and has to borrow to make up the deficiency, we must admit that such a condition is deplorable. My hon. friend knows, and so does every hon. member of the house, that it is a deplorable position. Yet it is true.

There is one other thing that I want to say now, because my time is limited, and other matters that I intended to deal with I shall have to take up at a later date. I have had some little experience in provincial financing. I have been a member of the federal treasury board for eight years, and I have some knowledge of the difficulties involved in such operations. We have frequently heard the statement, and we heard it reiterated the other day, that there must be a refinancing of the public debt of this country, and that an opportune time will be taken to do it. That is long overdue. Hon. gentlemen opposite make a great deal of the fact that their loan went over so splendidly in Great Britain. But surely there should be some comparison between the drop in commodity prices and the price we have to pay for our money. I am not so concerned about the credit of Canada. I fail to understand why a favourable balance of trade constitutes a bulwark for the credit of this country, when at the same time we are adding annually over $100,000,000 to our national debt and annually are failing to balance our budget. If I were a purchaser of Canadian bonds I would a thousand times rather see the budget balanced and additions to the public debt cease than have the government able to boast of a favourable balance on our restricted trade operations. So long as the policy of this government is pursued you will have restricted trade operations. You have tied yourselves up for five years to a British trade agreement that has brought disastrous results, and if my hon. friend the Minister of Trade and Commerce wants to be open and aboveboard he will admit that he finds it difficult when he undertakes to make trade agreements with foreign countries. Canada needs foreign trade; Canada must have it, and Canada can have it if she is prepared to exchange goods. But Canada cannot have foreign trade if she is going to demand money instead of goods. Most of the high tariff countries that have pursued this policy find themselves in exactly the same position.

My hon. friends say, "What are you going to do about a country that refuses to trade with you?" I should like to ask one pertinent question in that regard; I asked this question of the Prime Minister (Mr. Bennett) yesterday when he was dealing with the wheat agreement, with which I shall not attempt to deal at this time. This is my question: How does it happen that our competitors in the wheat selling game have little or no surplus, while we in Canada are carrying over some 219,000,000 bushels into the new crop year?

An hon. MEMBER: That is what we had left over from you.

Mr. STEWART (Edmonton): That is perfect nonsense, that is all I have to say. I just ask that very pertinent question. When our competitors are practically cleaned up we are left with the huge surplus of 219,000,000 bushels of wheat going into this crop year, and it is not likely that this surplus will be very materially reduced this year.

I do not blame this government altogether for this situation. I think the pools will have to take their fair share of responsibility, and I think the pools could have been of immense benefit to Canadian wheat producers. But when they sought to invade European markets with their own agents they took a step in the wrong direction; then we began to build up the surplus, and then the provincial governments had to come to their rescue. Finally the burden got too heavy for the provincial governments, and the federal government had to step in. I have a great deal of sympathy with Mr. McFarland in his attempt to market this surplus; I think the government are to be commended for their action, except that I do believe Mr. McFarland made a very serious mistake in the fall of this year. But we are all human, and this is a very difficult situation. I should like to ask, however, whether it would not have been wisdom on the part of this government to have endeavoured to sell a great deal more wheat than they did sell at a time when our competitors were marketing their wheat. It may be possible that the government had not control at that time, but from that time on we have been in the unfortunate position of carrying over wheat.

What are the prospects of selling our wheat? If the statement of the Prime Minister is correct our prospects are mighty slim.

If it is correct that we can only dispose of 200,000,000 bushels, including empire and foreign markets, then we are in an extremely difficult position with regard to the marketing of our surplus grain. It means that the western farmers will find themselves in the position of having to curtail their production, if it is to be done by one stroke of the pen, to something like 60,000,000 bushels, whereas we grow something like 400,000,000 bushels in a normal year.

Not only that, but we are also in a difficult position with regard to almost every commodity. The Prime Minister took considerable satisfaction from the fact that within the last month pork and bacon selects had risen to 10 cents a pound in eastern Canada. Do you know what I sold my hogs for this fall? I sold them for $4.20, and I was glad to get it. Last year I sold them for $2.

An hon. MEMBER: Keep them.

Mr. STEWART (Edmonton): How can you keep them? Every farmer knows that the moment they get over 220 pounds you are docked, so you have to sell them as soon as they are ready. We have a rigorous climate out there, and we have to try to get our hogs on the market before the cold weather sets in, so we are forced to take these prices. I see distress and suffering among my neighbours, and I may tell the Prime Minister that I take mighty little satisfaction from the fact that temporarily the price of hogs has gone up. As soon as we begin to produce we will find the price go down to the old level. I hope it will not; I should be glad to see it remain at ten cents, and in fact I would be glad to get five cents.

Mr. DUFF: The farmer does not get ten cents.

Mr. STEWART (Edmonton): No, of course he does not, but the Minister of Trade and Commerce (Mr. Stevens) is going to rectify that by means of the inquiry which is to be made, and which is necessary because of the action of this government in putting these individuals in a preferred position. I want to tell my right hon. friend that I hope he attacks the question as vigorously as he promised to do in 1930, when he said that if any individual sought to take advantage of the protection afforded him the government would see that redress was given at once. This has been going on for three years; in a moderate way it is going on right now and I am waiting to see what kind of redress we are going to get. If we do not get redress at once; if it runs on for another six months or so we will not need redress, because we will all be out of business.

I see where one particularly optimistic individual says that it all depends upon the farmer, that on one side of the road he has known a man to become wealthy while the man on the other side of the road was a complete failure. Well, I have seen a few cases of that kind, but by and large the farmer needs all the assistance he can get in a very difficult occupation. Mighty few of them make more than a reasonable competence out of a lifetime of toil. My hon. friends who live in Ontario know that. I have been engaged in farming all my life, and I know something about it. At present I am not in a particularly unfortunate position, but that is not due to the receipts from my farm, which have had to be bolstered on many occasions. When hon. gentlemen tell me that the farmers of western Canada are responsible for many of their difficulties I can only say that I wish they would go out and address a farm gathering in the west when they do go. I notice that they stick pretty religiously to the urban centres.

I have lived in western Canada for over twenty-six years, Mr. Speaker, and I have never known the people to be so incensed as they are to-day. They are willing to consider anything, even sovietism, if it will change the situation, and they are not going to be buncoed any longer. When they get an opportunity to express themselves hon. gentlemen opposite will understand in what high regard they are held by the farming community of western Canada.

On motion of Mr. Thompson (Lanark) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. BENNETT: The business to-morrow will be to take the order paper as it is.

Mr. LAPOINTE: What does that mean; shall we take up the address?

Mr. BENNETT: No, just as the business is on the order paper. To-morrow is private members' day.

Mr. LAPOINTE: I notice that this year the debate on the address appears on the order paper under the head of public bills and orders, and I believe that for the first month of the session public bills and orders have precedence on Thursday. Do I understand, then, that the debate on the address will go on to-morrow?

Mr. BENNETT: When we reach public bills and orders the debate on the address will be proceeded with. That is what I desired to say, that we will take the business as it appears on the order paper.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, February 1, 1934

The house met at three o'clock.

PETITIONS

Mr. J. A. BARRETTE (Berthier Maskinongé) (Translation): Mr. Speaker, I have the honour to lay on the table of the house petitions signed by the tobacco growers of the province of Quebec, also by farmers and consumers of said province protesting against the excise tax of 20 cents per pound on Canadian tobacco.

Mr. J. L. BARIBEAU (Champlain), (Translation): Mr. Speaker, I wish to lay on the table of the house a letter from the "Union Catholique des cultivateurs de la province de Quebec" strongly protesting against an excise tax of 20 cents per pound on leaf tobacco sold by the growers to consumers or for exportation purposes.

Mr. J. F. POULIOT (Translation): Mr. Speaker, I wish to inquire from the hon. members who have just spoken where they got their information because we also have people who are interested in the matter.

MEAT AND CANNED FOODS ACT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved for leave to introduce Bill No. 6 to amend the Meat and Canned Foods Act.

Some hon. MEMBERS: Explain.

Mr. DURANLEAU: The amendment sought by this bill is for the purpose of preventing the export of cans of fish falsely or incorrectly labelled or marked. Under the existing legislation even if cans are wrongly labelled or marked they cannot be interfered with until they are offered on the market in a retail way. We believe that this amendment will be in the public interest.

Motion agreed to and bill read the first time.

FISHERIES ACT AMENDMENT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved for leave to introduce Bill No. 7 to amend the Fisheries Act, 1932.

Some hon. MEMBERS: Explain.

Mr. DURANLEAU: This merely involves a correction of a reference number to a certain section. When the act was before parliament in 1932 a section was added to the act, and no correction was made to one of them, as originally numbered, in sending the bill to the printer.

Mr. MACKENZIE KING: What is the section?

Mr. DURANLEAU: Section 56, subsection (5).

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EXPORTS OF NATURAL RESOURCES

Mr. VENIOT:

1. How much of the following resources of Canada, in raw or semi-raw state, was exported during the calendar years 1929 and 1930: asbestos, nickel, pulp wood, pulp, iron ore, silver, gold, and zinc?

2. How much of above resources was exported in raw or semi-raw state during the calendar years 1931, 1932 and 1933?

Mr. STEVENS:

1. Canada's domestic exports of asbestos, nickel, pulp wood, pulp, iron ore, silver, gold and zinc, during the calendar years 1929 and 1930, were:

		1929	1930
Asbestos	Ton	143,725	104,262
	$	10,127,208	6,441,939
Asbestos sand and waste	Ton	148,305	131,238
	$	2,507,474	2,011,318
Pulp wood	Cord	1,294,995	1,330,466
	$	13,314,738	13,611,617
Wood pulp	Cwt.	16,616,966	15,204,406
	$	43,367,984	39,059,979
Iron ore	Ton	3,859	558
	$	19,461	3,025
Silver in ore	Oz.	7,058,275	8,473,189
	$	3,736,204	3,401,340
Silver bullion	Oz.	14,879,770	15,778,755
	$	8,022,917	6,180,412
Gold-bearing quartz, dust, nuggets, etc	$	29,995,983	22,312,605
Zinc in ore	Cwt.	257,389	469,641
	$	1,415,725	1,014,915
Zinc spelter	Cwt.	1,350,857	1,509,641
	$	7,031,645	5,146,215
Zinc scrap, dross and ashes	Cwt.	76,382	48,089
	$	262,719	92,651

2. Canada's domestic exports of the above items during the calendar years 1931 and 1932, were:

	1931	1932
Asbestos.. .. .. ..Ton	70,903	42,661
$	3,929,317	2,115,140
Asbestos sand and waste.. .. .. ..Ton	88,535	69,769
$	1,245,326	986,095
Pulp wood.. .. ..Cord	957,303	529,019
$	9,359,592	4,830,506
Wood pulp.. .. Cwt.	12,450,741	9,045,857
$	30,056,643	18,930,064
Iron ore. .. .. ..Ton	1,555	720
$	5,192	2,354
Silver in ore. .. ..Oz.	4,017,182	3,488,094
$	1,168,261	982,652
Silver bullion.. ..Oz.	14,649,185	13,504,060
$	4,230,998	3,978,438
Gold-bearing quartz, dust, nuggets, etc...$	17,682,563	3,925,729
Zinc in ore.. .. ..Cwt.	....	....
$	....	....
Zinc spelter.. .. Cwt.	2,380,180	1,753,218
$	5,554,511	3,852,990
Zinc scrap, dross and ashes.. .. .. ..Cwt.	10,931	8,279
$	10,018	9,522

Canada's domestic exports of the above items during the calendar year 1933, were:

	1933
Asbestos.. .. ..Ton	78,701
$	3,998,377
Asbestos sand and waste.. ..Ton	70,296
$	991,417
Pulp wood. .. ..Cord	651,958
$	4,696,459
Wood pulp.. .. ..Cwt.	12,170,186
$	23,354,637
Iron ore.. .. ..Ton	1,774
$	1,563
Silver in ore.. .. ..Oz.	3,362,354
$	1,093,464
Silver bullion.. .. ..Oz.	10,738,729
$	3,759,387
Gold-bearing quartz, dust, nuggets, etc. .. ..$	2,299,650
Zinc in ore.. .. ..Cwt.	83,256
$	135,249
Zinc spelter.. .. ..Cwt.	1,734,534
$	4,990,705
Zinc scrap, dross and ashes..Cwt.	63,021
$	47,060

AMOUNT DUE PROVINCE OF NEW BRUNSWICK*

Mr. VENIOT:

1. What amount was due the government of the province of New Brunswick on October 31, 1933, and what are the details?

2. Did the government of the province of New Brunswick apply to the federal government for the withdrawal of the sum of $529,299, which has been to the credit of that province since confederation?

[Mr. Stevens.]

3. If so, when was the application made?

4. Is legislation by the government of New Brunswick necessary to authorize the withdrawal of said sum?

Mr. RHODES: I am submitting an answer to this question but in doing so I feel that I should direct the attention of the house to the fact that the hon. gentleman who has asked the question has contravened the rules of the house in making an assertion of fact. It would be none the less a contravention of the rules if the facts were correctly stated but as a matter of fact the sum mentioned was not established at confederation nor did it appear at that time. It was part of the debt adjustments which were made several years after confederation. I raise this question not for the purpose of evading an answer but merely to ensure adherence to the procedure which has been recognized by this house for many years. The answers are as follows:

1. Amount at credit New Brunswick's debt allowance account, October 31, 1933, $529,299.39.

2. The province has applied for the withdrawal of the above mentioned amount.

3. October, 1933.

4. See sections 6 (2) and 11 of the Provincial Subsidies Act, R.S. c. 192.

WESTERN DIVISION OF FISHERIES SALARIES

Mr. NEILL:

1. What is the name, position and salary of each person in the office of the western division of fisheries at Vancouver, during the fiscal year ending March 31, 1934?

2. What, if any, reduction has been arranged to take place in the above office as from the beginning of the next fiscal year?

Mr. DURANLEAU:

1.

Name	Position	Salary rate (subject to 10 per cent deduction)
J. A. Motherwell	Div. Supervisor.	$4,020
A. Mackie	Dist. Supervisor.	2,760
W. M. Chapman	Departmental Acct. Grade 2.	2,580
J. K. Raphael	Pr. Clerk..	2,400
L. G. Swan	Pr. Clerk..	2,040
G. F. Found	Collector of Fish Revenue.	2,040
(Mr. Found was retired and the position abolished Dec. 22, 1933)		
T. Taylor	Clerk Gr. 4.. ..	1,740
E. C. Mitchell	Clerk Gr. 2.. ..	1,380
M. Brewster	Sten. Gr. 2.. ..	1,380
A. B. McPhail	Sten. Gr. 2.. ..	1,140
A. Dearden	Sten. Gr. 2.. ..	1,140
J. C. Hynd	Typist Gr. 2. ..	1,140
T. B. Stoddard	Messenger Clk..	1,020

2. None.

QUEBEC DEPARTMENT OF COLONIZATION WORK

Mr. POULIOT:

1. Since the month of August, 1933, has the Department of Colonization of the province of Quebec proposed to the federal government that it carry on certain work in the parishes of St. Elzear, St. Emile d'Auclair and St. Benoit de Packington, Temiscouata county?
2. Has this work been approved by the federal government?
3. If so, on what date?

Mr. RHODES: 1. Yes.

2 & 3. The relief works proposed to be carried out by the Province of Quebec at St. Emile d'Auclair, Temiscouata County, received Dominion approval on January 24th, while the works proposed to be carried out at St. Elzear and St. Benoit de Packington are still under consideration.

PRICE OF SILVER

On the orders of the day.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I should like to ask a question of the Minister of Finance (Mr. Rhodes). Last week it came to my notice that a resolution had been sent to the Department of Finance from the Cobalt district to the effect that the people of that district wanted the price of silver fixed at sixty cents an ounce. Will the government announce its policy in this regard?

Mr. RHODES: I have no recollection at the moment of any such requests having been received by the Department of Finance, but I will make inquiry. Even if the request had been received, however, I am afraid I could not submit an answer to the second portion of the question.

VANCOUVER HARBOUR COMMISSION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask whether the Minister of Marine (Mr. Duranleau) can answer my question to-day with regard to the Vancouver harbour commissioners.

Hon. ALFRED DURANLEAU (Minister of Marine): After careful perusal of the records, I find that no demand was made for the resignation of the harbour commissioners of Vancouver, and no resignation received and of course it was not considered nor accepted. I know what my hon. friend is driving at, and in fairness to the house, I may say that when these gentlemen were in Ottawa—during last November, I think—some representations were made to them with respect to the purchase of a motor car which, in our opinion, should not have been made in these times. But no demand for their resignation was made.

CORRECTION

On the orders of the day:

Hon. CHARLES STEWART (West Edmonton): I wish to correct an error I made yesterday when I was speaking on the address. I stated the increase I paid last year for farm implement repairs was due to the order in council bringing into effect the 25 per cent duty proposed by the government in 1930. This statement is incorrect as in last year's budget the duty prior to 1930 was restored, and the duty could not be held responsible for the increased price.

UNEMPLOYMENT RELIEF

ORDERS IN COUNCIL UNDER RELIEF ACT PASSED DURING PARLIAMENTARY RECESS

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask whether all orders in council which have been passed since the last session under the authority of the Relief Act have been laid on the table of the house—for instance, one concerning guarantees to the Canadian Pacific Railway, a copy of which has been sent to my leader. I think the house has a right to have all these orders on the table.

Right Hon. R. B. BENNETT (Prime Minister): It will be recalled perhaps that at the last session, when the act was being passed, a suggestion was made by, I think, the leader of the opposition (Mr. Mackenzie King) that precis of orders in council should be published in the Canada Gazette, and as a matter of fact such precis were published in the Canada Gazette from week to week, though while the house is in session the orders in council are brought down. If it is thought desirable that these orders in council should be filed, of course they will be, because a return of the house could be obtained to have this done. I merely point out however that the statute has been strictly followed, and there was no obligation to lay upon the table of the house orders in council that had been passed during the recess. But with the opening of the house it becomes necessary that each order in council as passed should be laid on the table, and the Minister of Finance (Mr. Rhodes) has laid them on the table to-day, as I daresay the hon. gentleman observed. If, however, it is the wish of the house that all these orders in council, particulars of which have been published, should be laid on the table, I will see that it is done.

Mr. LAPOINTE: My understanding was that the precis published in the Gazette were additional to the laying of orders on the

table. If the right hon. gentleman will be kind enough to have the orders tabled the house will be grateful.

Mr. BENNETT: Perhaps the hon. gentleman would not wish us to go to the trouble of filing them all. Orders that have attached to them long and tedious pages of accounts from the provinces, I should not think the hon. gentleman would wish to have; but we will file such as deal with matters other than ordinary questions of relief. If there are others which he wishes we will see that they are produced. I was under the impression which the hon. gentleman himself had until I looked into the matter and found that it was not necessary to table the orders passed during the recess.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, January 31, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, the amendment thereto of Mr. Mackenzie King and the amendment to the amendment of Mr. Gardiner.

Mr. T. A. THOMPSON (Lanark): In rising to resume the debate, I wish at the outset to congratulate the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address on the splendid speeches they made, reflecting great credit not only upon themselves but also upon the constituencies which they have the honour to represent.

I listened very carefully the other day for over four hours to the speech of the leader of the opposition (Mr. Mackenzie King) and I was very much disappointed when he was through. During that entire time there was no constructive policy, there was nothing put forward by the right hon. gentleman but fault-finding. He found fault with the present administration, and I began to wonder whether these men sitting on the treasury benches, grown old in the service of their country, were attempting to pull down and ruin the reputation of Canada, or whether after all they did not have some business judgment and there was not something that they had done that could find approval from the leader of the opposition.

The right hon. gentleman made the statement that we had a million on relief and a million and a half unemployed, a statement which is not borne out by the facts. I have received a report from the Deputy Minister of Labour giving the figures for the months of November and December of 1932 and 1933 respectively as to the number of families on relief, and that I submit is the fairest way of estimating the number of people on relief in this country. A bread-winner is out of work and goes on relief. He may have a wife and family of half a dozen children, but it is not right to suggest that his wife and children should be numbered amongst the unemployed. He is the head of one family, one bread-winner who has gone on relief. I am therefore giving the number of families that have been on relief, which as I say is the fairest way of arriving at an honest conclusion.

In November, 1933, there were 17,783 less families on relief than there were in November, 1932, and in December, 1933, there were 25,679 less families on relief than there were in December, 1932. That shows conclusively that we are to-day in a better and not in a worse condition than we were a year ago. I cannot understand therefore what good purpose is to be served by public men decrying and blackening the reputation of their own country at a time when every loyal citizen is straining every effort to pull the Canadian people out of the morass and entanglement in which they have found themselves.

Yesterday we listened to another speech, this time from the hon. member for West Edmonton (Mr. Stewart), in which he denounced the tariff policies of this government. He waxed very eloquent and worked himself into a great fever, holding up his hands in holy horror. I thought at the time he was longing for a tambourine or a little tin drum on which to beat the death knell of protection. Whatever it may be, he charged the Prime Minister and the Conservative party with being responsible for all the ills that exist in this country at the present time, and especially did he charge that the policies of the present government were responsible for our unemployment situation. These statements are not borne out by the facts. I claim that the greatest factor in causing unemployment in Canada was the unbusinesslike immigration policy of the Liberal government from 1921 to 1930. During those years they brought in 1,187,319 immigrants against the protests of the provinces in which those people were placed and against the business judgment of our most able Canadians. In the last two years during which they were responsible for immigration, and at a time when our own men were unemployed and when every man who had any insight into our future knew it was a wrong policy, they brought in 331,000 immigrants, of whom 99,000 who came in during the last year were single men who immediately went on relief. Had the former Liberal administration followed the same

immigration policy that is being pursued by the present government and restricted immigration to the extent we have done there would be no unemployment and no need for relief here to-day.

When the present government took office they found the markets of the world largely closed to the Canadian exporters. France, Germany, Italy, that formerly took millions of bushels of our wheat, had raised their tariffs to a prohibitive height. The United States to which we had sent a large quantity of our produce had from time to time raised their tariffs making it impossible for us to do business with them with any degree of satisfaction. In 1922 the Fordney-McCumber tariff hit the Canadian exporter a serious blow, and this was followed in 1930 by the Hawley-Smoot tariff, making it impossible for the Canadian exporter to do business with the nation to the south of us. The point I would emphasize is that these European and United States markets were lost to the Canadian exporter between 1921 and 1930 when our hon. friends opposite were in power. I do not blame the Liberal government of that day for the tariff policies of foreign countries but I do blame them for taking knock after knock lying down. I blame them for sitting with folded hands while the markets of the world were being closed to Canadian products and allowing the Canadian market to be the dumping ground for the surplus products of every other nation in the world. Further I say that the tariff policy of the present government has kept Canada solvent and that by securing in the British market a substantial preference for the Canadian exporter they have safeguarded the Canadian producer and protected the Canadian farmer from the very worst effects of the present world depression. The imperial trade agreements made at Ottawa and the general policy of the present government have combined to wipe out a heavy adverse trade balance and to replace it with a favourable trade balance of $136,000,000. This has been one of the greatest achievements of the present government. Notwithstanding the fact that economic nationalism has been paralysing international trade, the Canadian exporter found a haven from the general chaos of world trade in a sheltered market of the British Empire where, in the best market in the world for agricultural and other primary products, the present government has secured for him a preference.

There is nothing that affects Canada to a greater extent than the repayment of her foreign debts and her future borrowing in the foreign money market, and judging from our experience in the past I am convinced there should be set up in Canada a board of financial experts to whom all prospective borrowers should be asked to submit their propositions before being permitted to enter the foreign money market. Such a board would safeguard us against excessive borrowings and protect us from those dangerous terms of repayment that have characterized so many of our loans in the past. The whole economic system of the world is to-day labouring under a nightmare of debt that is paralyzing and demoralizing those who receive the loan as well as those who make it.

We have to the south of us a great nation of 130,000,000 people experimenting with a species of dictatorship, feverishly endeavouring to raise themselves out of the morass of economic and financial entanglements in which they find themselves involved. We wish them well; we trust they will be successful because we realize that the future welfare and prosperity of this dominion is inseparably associated with that of the United States. We are neighbours living close together and what affects the one will always materially affect the other. But while they are strenuously endeavouring to bring about new conditions and a better social life in their country, they seem to forget all about the debt, and I should like to call to their remembrance this fact, that the same prayer which says "Thy kingdom come" says also "Forgive us our debts as we forgive our debtors."

Our hon. friends opposite during former sessions in the house and on the stump throughout the country have apparently taken great delight in comparing prices of farm produce since 1930 with what they were prior to that date. They seem to forget that no government can control world prices, and that the inexorable law of supply and demand rules the world to-day as it ever did. The only comparison that can be fairly made is between the prices of farm products in Canada and the prices in other countries. I submit, Mr. Speaker, that the prices of agricultural products in Canada since 1930 have been higher in comparison with those in other countries than they were during the regime of our hon. friends opposite. Take prices to-day; we have pork selling on the hoof in Montreal and Toronto at 10 cents, while in Chicago it is selling at only 4 cents. The best sign of the recovery from the depression is to be found in the fact that agricultural products are continually rising in price. Canada is essentially an agricultural country, and until the farmers of Canada receive a fair remuneration for their labour and the capital they have invested there will be no real prosperity in this dominion. As a direct re-

sult of the agreements made by this government, Canada to-day has a wonderful opportunity to supply bacon to the British market. I find that in 1932 Denmark supplied 67 per cent of Great Britain's imported bacon, Poland, 10·02 per cent, Holland, 8·05 per cent, Sweden, 3·77 per cent, Lithuania, 4·52 per cent, Irish Free State, 1·75 per cent, and Canada only 1·6 per cent, the lowest percentage of any country. Under the agreement with Great Britain, Canada is permitted to send into that country 280,000,000 pounds of bacon annually. While we have doubled our exports to the British market we have not yet exceeded 25 per cent of the quota that has been allowed us. With pork at the price it is to-day, and still 75 per cent of our quota not taken up, there is a wonderful opportunity for the farmers of this dominion.

In the county of Lanark, which I have the honour to represent, the policies of the former government had driven our manufacturers almost to the wall. Many of our factories were closed down, few of them were running over half time. To-day every textile mill in the county of Lanark is running full time, and several are running day and night. Some of the mills that have been closed for years have been reopened. This is a direct result of the tariff policies of the present administration in restricting imports from foreign countries where the scale of wages and the standard of life is so much below that of Canada that they can afford to undersell us in our own market. The opening of these factories in Lanark county has been of great assistance to the farmers, because when the men and women engaged in industrial life have steady employment, they have purchasing power wherewith to buy the commodities that the farmers produce. Mouths are the farmers' best market.

We hear a great deal about social betterment in this country. We want social betterment, but we want it without socialism and without communism. We must have progress, in a young country like Canada we cannot stand still. Changing conditions must bring new remedies. But I have no sympathy with those organizations which would attempt to build up an economic system in Canada such as they have in Russia, based upon atheism, hatred and repudiation of debt. The danger to our present democracy does not lie in attacks made upon it by the Cooperative Commonwealth Federation or similar organizations. The real danger to democracy to-day lies in the apathy of its own defenders, the men on the one hand who claim that our present day democracy is rooted and grounded in Magna Charta and the Bill of Rights and so cannot be disturbed, and on the other hand those who use the privileges and liberties afforded by democracy to further their own selfish interests without due regard to the interests of their fellowmen. To-day we have agitation to change the whole system, but it gets us nowhere to damn it and to call it a canker on the body politic. The wise statesman must look for the cause of that eruption, and honestly endeavour to heal it. And in lopping off the dead branches we must be careful not to destroy the living branches or the living part of the tree that has taken ages of the very best that was in humanity to produce.

Just before this house opened there was held in Ottawa a conference of the premiers of the different provinces. While the meetings were held in secret, enough has leaked out to assure the public that several of these premiers were here asking further assistance for their provinces. Now, Mr. Speaker, if these provinces have been unfortunate, if the grasshoppers have eaten them up, if the drought has burnt them out, if the hail and frost have destroyed their harvests, then I say let us come to their assistance, because these are things over which they have no control. But if those provinces insist on electing legislatures that will spend their resources unwisely, that will bonus railways, guarantee wheat pools, enter into social legislation which they cannot afford and which the application of sane business principles would have taught them to avoid, then I say it is out of the question that they can continue any such expenditure and come to Ottawa to have their bills paid.

Mr. DONNELLY: They will not. It will not be long now.

Mr. THOMPSON (Lanark): The province of Ontario pays approximately 45 per cent of the taxes of the Dominion of Canada, Quebec approximately 30 per cent and the remainder, some 25 per cent, is paid by the other seven provinces. How long should the federal government make good—I ask as a business proposition—the extravagance of these provinces? These provinces are not poor, they have wonderful natural resources. The trouble has been poor administration. I am of the opinion that they should be told to put their own houses in order, balance their budgets, live within their means, and that it is high time they were self-sustaining. Since this government took office in 1930

they have had to deal with an overwhelming succession of new phases of the economic situation for which there was no precedent in Canadian history and for which our oldest and most experienced statesmen were altogether unprepared. The fact that the ship of state has been safely guided through the dangerous shoals and is to-day heading for the high seas clearly indicates that a master hand has been at the helm.

I have every confidence in the future of this country; I am not one of those crying blue ruin. I have every confidence in the two great races that form the foundation stock of Canada, the English and the French. They have the hardihood, the business ability and the courage to surmount every obstacle that may lie in their path, and I hope they will work in unison for the future development and prosperity of our common Canada.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there is little in the speech from the throne that is sufficiently definite to form the basis of any very clear discussion. I should like first of all, however, to protest against the military display that we witnessed at the opening. If Canada is earnestly endeavouring to promote peace it would seem to me that there is no necessity of our putting on such a warlike front. I have sometimes wondered why, at the opening of parliament, we might not have deputations of business men, of farmers, of railway men, of miners, and of those others who have laid the foundations for the life of Canada. If we had those men present instead of such a host of officials, backed up by so many military men, it would seem to me that possibly we would create an atmosphere that would bring us a little nearer reality. I suppose the practical difficulty would be that our table of precedence does not permit of anything of the kind.

The speech from the throne refers to improved world conditions. I can hardly understand this, in view of the news that is coming to us daily from almost all parts of the world. Undoubtedly we have witnessed a decline in the influence of the League of Nations; we have been witnessing the practical abandonment of the disarmament conference, and yet I take it that all thoughtful students of international affairs admit that permanent recovery is possible only as we have peace and as we are able to develop the collective system. Further than that, we have been witnessing and participating in an intensified economic nationalism. We deprecate that when it is manifested by other nations, but we have taken our full share to such an extent that from the practical point of view, it is becoming increasingly difficult, for us to market many of our primary products in Europe. We have witnessed still further in Europe the decline of many of the older democratic or so called democratic systems. There we have seen arise bolshevism, fascism and Hitlerism. Even in England there have been very radical changes, though not so much in outward form. In the United States we have had what almost might be termed a revolution, as manifested in the very great changes which the president has introduced.

In view of all these changes that are going on throughout the world I have been wondering whether there is no hope of our having a new deal for Canada. Apparently, notwithstanding the eulogistic references of the last speaker, this government is pretty much content to go along the old, beaten trail.

I think there is no member of any of the self-governing dominions who was not very decidedly perturbed by the fate of our sister dominion, Newfoundland, where they have given up even the forms of democracy. Responsible government has been replaced by administration by a commission, with what amounts to practically dictatorial powers, and I would say that this change has been made primarily not in the interests of the people of Newfoundland but in the interests of the bondholders.

The same sort of thing is going on in our western provinces and municipalities. I shall not take time to discuss the points raised by the last speaker, who referred to the extravagance of the western provinces; that would take too long. I think I could make out a case to show that we have not been more extravagant than other provinces, but the point is that at the present time we are practically bankrupt. A great many of our municipalities are actually bankrupt, and under those circumstances we cannot much longer carry on the ordinary services for which government is constituted. We face, in fact, a new type of slavery in this country, and that is bondage to the bondholders. As children we were taught that freedom had been obtained. Certain kinds of freedom have been obtained, including so called political freedom, though even that is in danger these days. But newer types of economic serfdom are being fastened upon us at the present time. I could not but recall recently a little verse by Herbert Carruth,

as published some years ago in Current Literature:

> The rights of men are a by-word;
> The bones are not yet dust
> Of those who broke the shackles,
> And the shackles are not yet rust
> Till the masters are forging new ones,
> And coward lips are sealed
> While the code that cost a million lives
> Is step by step repealed.

To-day we are witnessing a new type of society in which very few of us have any very large measure of freedom. I think it was Rabindranath Tagore who said some years ago that chains were none the less real because they were either invisible or golden.

I spoke of the financial condition of the municipalities and provinces of the west. Let me point out how these affect the living condition of many of our people. In the last few days in Winnipeg, my own city, we have had what might be called a doctors' strike. The doctors have refused any longer to give free medical attendance, and they have recently signed this declaration:

> I undertake to refuse free medical service in the office, hospital or home to any individual in receipt of relief unless an emergency exists. An emergency is one in which life is in imminent danger and for which immediate action is required. This is to take effect on and after the 15th day of February, 1934, unless the civic and/or municipal authorities concerned have made satisfactory arrangements with our committee.

The secretary explains that even a case of ordinary confinement is not to be regarded as an emergency case, except in the case of hemorrhage or convulsions; only then will the doctor consent to come to the bedside of the patient. I do not propose to discuss the professional ethics involved in this question. I recall that some years ago when there was a strike in Winnipeg and when the milk drivers and some of the members of the fire brigades went on strike, a great cry was raised to heaven and it was said that under no circumstances should milk drivers or fire fighters desert their posts of duty. But now we have the doctors, for their own reasons, and possibly they are justifiable, in order to force an issue, refusing to give medical service to any one on relief. We all know there has been a question as to where the responsibility for giving relief lies, whether with the Dominion government or the provinces or the municipalities, and in what degree each is responsible. First of all, when we thought of relief we thought of food. Then we had to extend it to clothing, and out in our part of the world, where it is cold, we had to extend it to shelter, and even to fuel and light, and as these new items have come into view we have found that it is very difficult to get agreement as to who should assume responsibility for these new types of relief.

Now we have hospitalization and medical care. I point out that owing to the practical bankruptcy of many of our municipalities it is next to impossible for them to advance further sums of money for this type of relief. The other day the hon. member for St. Boniface (Mr. Howden), himself a medical man, raised the question in this house, and the Prime Minister's reply was that he had communicated to the representatives of the medical profession "that there was no reason to believe that the provinces would not discharge their constitutional duties with respect to the health of their citizens." That may be all very well, from a purely constitutional standpoint, but may I say that when there is absolute misery I cannot think that this government or any government is justified in taking such a position as that. If there was a flood, we would not stop to argue whether it was a provincial or federal responsibility to launch rafts and save the citizens; we would go out and pull out of the water the poor fellows who were threatened with being engulfed. And what then shall we say in the case of women who expect in a few days to become mothers, scores of them, who must face that very, very serious crisis in their lives with no hope of obtaining medical assistance unless their case is extreme. I think this is altogether too serious a matter to be allowed to pass unnoticed by this house. I must recall again, those words of Mr. Bennett which have been repeated very often, spoken when he was seeking to become the Prime Minister. He said:

> I say to you, my fellow citizens, my fellow Canadians, speaking to the larger audience, I am convinced this problem has now ceased to be local and provincial and has become national in its importance.

The Prime Minister paid a glowing tribute the other day to those to whom honours had been given, and said that some of them were doing work on the pioneer front. I want to say that if these women doing social work should be given honours, much more should help be given to those who are about to give birth to children and who have no one at the present time to look to for assistance. It is not much wonder that large numbers of them to-day are seeking to learn the principles of birth control.

The speech from the throne goes on to say that the "improved world conditions are reflected in Canada by expanding trade, im-

proving revenues, increasing employment, and a more confident outlook upon the future." As far as those of us from the west are concerned, that is indeed news. I am not going to enter upon the battle of figures which raged here for some hours, but I should like to call attention to some particular incidents that would seem to show that all is not just rosy at the present time.

Here is a heading and paragraph I noticed in the Toronto papers a few weeks ago, on September 26:

Machine gun tanks sent to Stratford to quiet strikers.

Wearing steel helmets and carrying wartime equipment the regiment detrained here this morning, prepared to guard the plant of the Swift Canadian Company and six furniture factories where employees are on strike.

We were told that the poultry workers were being paid two cents for each chicken plucked and that they wanted one cent more, and that it was refused them. If we are having so much prosperity it would seem to me that it might very well be reflected in the extra cent for plucking a fowl which these poultry workers asked for.

With regard to the furniture workers, they are to no small extent the victims of the mass buying recently denounced by the Minister of Trade and Commerce (Mr. Stevens). Just here I should like to suggest to the minister that we in this corner shall be very glad to cooperate in any way possible in making the investigation into that matter a success. We can assure the government of our support and will do our very best to try to uncover those bad conditions which have left so many work people, as well as the consumers, in difficulties.

But I should like to ask this. Why not also investigate the dealings of our financial promoters and manipulators? Men like Holt and others of his kind are placing burdens upon this country under which the ordinary people can hardly struggle. Only a few months ago I came across a rather interesting account of the way in which many fortunes have been made in this country. It is taken from Retrospects of a Newspaper Person, by Mr. P. D. Ross of this city. Mr. Ross had done a Mr. W. J. Carrique a good turn, and he tells in the book the interesting sequel. I quote:

Some little time further on, another visit came from Carrique. He laid an envelope on my desk. "This is your share of stock," he said. "My share? What are you talking about?" "We have formed a little company,—the Canadian Street Car Advertising Company." . . . "But, I don't want any of your stock." I said. "It won't cost you anything," returned Carrique, "It's paid-up stock." "Who paid it up?" "Nobody, It's just issued paid-up." I opened the envelope. It contained a certificate for $10,300 paid-up stock in the Canadian Street Car Advertising Company, capital $60,000 paid up. . . . "I don't know where the rest of you fellows got the money," I said. "But I haven't any money to put in this. I don't want any of it. Leave me out."

"None of us have put in any money," Carrique returned. "We have contracts for two or more years with each of the Montreal, Hamilton and Ottawa street railway companies, we to pay certain figures for space in their cars to place advertisements in. The agreement is to pay each company so much a month. The receipts we are already getting from advertisers to put their cards in the cars are more than enough to enable us to make our monthly payments to the street car companies. In fact, we are already so far ahead that we could pay a dividend on $60,000 now, and we have no liabilities to anybody." "Sounds like a fairy tale, Carrique." "It's going to be a real fairy tale," he returned. "I expect the Toronto and Winnipeg franchises, and if we get them it'll be a gold mine."

Mr. Ross continues:

I took the stock. Carrique was a wonder. Before long we had the Toronto and Winnipeg franchises, with nearly all others in Canada.

Mr. Ross goes on to say that in the fifteen years following the formation of the company he had drawn in dividends or bonuses the sum of $78,847, and the account continues:

No shareholder ever paid a dollar—not a cent—into the company. In 1919, W. J. Carrique, who was a shrewd and successful operator in other things than street railway advertising, died a near-millionaire. The Carrique estate and the rest of us soon after sold the total stock of the Canadian Street Railway Advertising Company to Senator Wilson of Montreal for $337,500. My share of the proceeds of the sale was a cheque for $58,185. This, with the $78,847 received during the previous years in dividends, constituted a total of $127,032 which came to me in fifteen years from the Canadian Street Railway Advertising Company from stock for which I never put up a cent—never anything except a small amount of obligingness.

Can one wonder that Mr. Ross entitled that chapter "Why not be Obliging?" I do not know whether that is the kind of fortune that the Prime Minister (Mr. Bennett) would say was earned by honest toil.

There is another strike to which I should like to refer, that of the lumberworkers in northern Ontario and the Rouyn district of Quebec. Harsh and repressive measures were used, yet according to the Montreal Star of January 4, the provincial government's own investigators—

All agree that the workers are being exploited by a number of contractors and sub-contractors, that their wages are inadequate, and that the goods sold to the workers in the stores operated by contractors are exorbitantly priced, so that when the season is over the lumberjacks find themselves not any richer

than before and sometimes poorer, for they are indebted to their employers for part of the goods purchased.

I should like to ask again: Why not some sort of labour code for Canada? If any of the workers in Canada have been better off in the last year it has been as a reflection of the action taken by the American government. I think that is true, for example, of the shingle-weavers on the Pacific coast.

What is this government doing? The Prime Minister declared recently in Vancouver that this government would not be a wet nurse for derelicts. The public was shocked when it realized the large number of unemployed and their plight. The Prime Minister explained in a later speech that he was speaking of derelict industries. On that basis I should like to ask about the textile industry which has been helped for many years by this and other governments. I should like to ask about the $60,000,000 guaranteed to the Canadian Pacific Railway. Is that not being a wet nurse to a derelict enterprise? That is what it seems to me to be. Hundreds of small concerns have been in dire straits and many of them have gone under but yet we find that in the case of a large concern the government comes to its aid. It is all very well to conserve the interests of the shareholders of the Canadian Pacific Railway located in Canada, Great Britain, the United States or elsewhere, but if that is to be done I submit that the interests of those engaged in smaller industries in Canada have an equal right to be taken care of. The only consolation I get out of the transaction is that it is a step towards public ownership. I should like to make a practical suggestion. If we are to guarantee $60,000,000 to the Canadian Pacific Railway, this house ought to know whether the salary of Mr. Beatty has been cut by ten or twenty per cent. If we are to guarantee, we ought to know something about the inside history of the company. If we are to pay the debts, we ought to have something to say as to what the expenditures will be.

The government has recently recommended certain titles and honours but I do not intend to take up very much time in the discussion of this matter. Two more people can boast of titles because of Mr. Bennett having been Prime Minister. But hundreds of people have lost the titles which they had to their property. Most people are more interested in having a title to their little home than in having a title which may be recognized in the old country. In referring to the royal prerogative the other day it seems to me that the Prime Minister was talking a lot of solemn nonsense. As a matter of fact by insisting upon making the exercise of the royal prerogative dependent upon an act of parliament, the Prime Minister is in reality degrading the royal prerogative. I should like to come to its defence. Let me quote from page 409 of the sixth edition of The Law of the Constitution by A. V. Dicey, as follows:

> The survival of the prerogative, conferring as it does wide discretionary authority upon the cabinet, involves a consequence which constantly escapes attention. It immensely increases the authority of the House of Commons, and ultimately of the constituencies by which that house is returned. Ministers must in the exercise of all discretionary powers inevitably obey the predominant authority in the state. When the King was the chief member of the sovereign body, ministers were in fact no less than in name the King's servants. At periods of our history when the peers were the most influential body in the country, the conduct of the ministry represented with more or less fidelity the wishes of the peerage. Now that the House of Commons has become by far the most important part of the sovereign body, the ministry in all matters of discretion carry out, or tend to carry out, the will of the house. When however the cabinet cannot act except by means of legislation, other considerations come into play. A law requires the sanction of the House of Lords. No government can increase its statutory authority without obtaining the sanction of the upper chamber.

If I understand the Prime Minister aright, he seemed to want to make any limitation of the exercise of the royal prerogative in Canada with regard to titles dependent upon the action of parliament, the Commons, the Senate and the Governor General. Let me quote one further paragraph from Dicey, as follows:

> The prerogatives of the crown have become the privileges of the pepole, and anyone who wants to see how widely these privileges may conceivably be stretched as the House of Commons becomes more and more the direct representative of the true sovereign, should weigh well the words in which Bagehot describes the powers which can still legally be exercised by the crown without consulting parliament; and should remember that these powers can now be exercised by a cabinet who are really servants, not of the crown, but of a representative chamber which in turn obeys the behests of the electors.

We had a flaunting of the authority of this house the other day when the Prime Minister went back one hundred years for his authority. In that time the Commons has acquired a new status. I quote Bagehot as follows:

> I said in this book that it would very much surprise people if they were only told how many things the Queen could do without consulting parliament, and it certainly has so proved, for when the Queen abolished purchase in the army by an act of prerogative (after the Lords had rejected the bill for doing so), there was a great and general astonishment.

But this is nothing to what the Queen can by law do without consulting parliament. Not to mention other things, she could disband the army (by law she cannot engage more than a certain number of men, but she is not obliged to engage any men); she could dismiss all the officers, from the general commanding-in-chief downwards; she could dismiss all the sailors too; she could sell off all our ships-of-war and all our naval stores; she could make a peace by the sacrifice of Cornwall, and begin a war for the conquest of Brittany. She could make every citizen in the United Kingdom, male or female, a peer; she could make every parish in the United Kingdom a "university"; she could dismiss most of the civil servants; she could pardon all offenders. In a word, the Queen could by prerogative upset all the action of civil government within the government, could disgrace the nation by a bad war or peace, and could, by disbanding our forces, whether land or sea, leave us defenceless against foreign nations.

The Prime Minister proved altogether too much. Let me quote another paragraph from Dicey, as follows:

If government by parliament is ever transformed into government by the House of Commons, the transformation will, it may be conjectured, be effected by use of the prerogatives of the crown.

The speech refers to certain industries which were flourishing in this country. I think of two, gold and nickel. Roosevelt is to-day taking over all coined gold supply, and I should like to ask this question: Why should Canada continue to pay premiums for gold mined in Canada? It has always been a mystery to me. Further, what is going to be the effect on gold in this country of the decision of the American government to devaluate the dollar? If the gold content of the American dollar is to be altered, who is going to benefit in Canada—the same American corporations which all along have been benefiting? If gold is so essential, why should not gold mining become a public work for the general advantage of Canada? I suggested several years ago that we should establish work camps in the gold mining areas for the unemployed and pay them decent wages, allowing the profits to go to the government and not to American corporations.

Another industry that seems to have been prospering is nickel. Undoubtedly a large proportion of the nickel mined in this country is destined ultimately for the manufacture of war munitions; I do not think anyone can seriously question that. We in Canada very easily protest against the private manufacture of armaments, but in this country we have almost a monopoly of nickel; and nickel it seems, under present processes, is essential to the manufacture of armaments. Well then, if we are really serious in our wish for peace, why should we permit the unregulated export of nickel destined to build up armaments in Europe? I would urge that the government seriously consider taking over control of the export of nickel, or better still, that they make nickel mining a government monopoly. It seems to me that if we have any difficulty at all in tracing the ultimate destination of nickel, we might readily call in the good offices of the League of Nations and at least block this one avenue to the manufacture of armaments.

The speech announces that we are to have public works. I am very glad of that, although I hope it will not be thought ungracious if I say that in my opinion we ought to have had such a program two or three years ago. I would suggest however that when these works are put into operation the workers engaged therein be given decent wages and not merely doles.

I am glad also that a central bank is to be established. We shall have an opportunity to discuss this question at greater length later on. But let me say at the outset that we in this corner will do our utmost to insist that it shall not be a privately-owned or controlled institution. Incidentally, I wonder whether the banking commission, however admirable its report, was absolutely necessary. The Prime Minister recently revealed to the Western Ontario Conservative association that over two years ago he had decided on a central bank. If it had been decided upon before the commission was appointed, possibly we might have saved the expenses of that commission.

There is one rather curious omission from the speech, and that is the usual reference to this season's bountiful harvest. I think perhaps it might have been almost fitting if there had been an expression of gratitude to the drought and grasshoppers that came to the help of the government. I am not among those who say that there should be no control of production; as a believer in planned economy, I think that control of production will have to come. But I think the government is getting at the problem from the wrong end. The Prime Minister suggests that there must be a balance between production and consumption, and that we must therefore limit production. I think we ought to have a try at expanding consumption, because there are undoubtedly large numbers of consumers the world over who cannot obtain access to the supplies of wheat which they might readily use, and if there is to be an international policy to reduce production,

surely it should be possible to have some sort of international policy to increase consumption. If we are to have a reduction in production it will prove disastrous unless accompanied by other measures; I think we shall have to have other measures as well.

The Prime Minister the other day spoke of being guided by business interests. I am not at all sure that the business men are convinced that this reduction in production is a very good thing. On October 12, addressing a public gathering at Saskatoon, the Prime Minister said: "Would you not rather have one bushel of wheat you can sell for a dollar than two bushels you cannot sell for fifty cents?" Everyone will agree to that proposition. But there is no guarantee in the agreement either that the farmers will be able to sell or that they will be able to get a price. An editorial in Canadian Business, published by the Canadian Chambers of Commerce, and appearing in October, put the matter thus:

> The government has guaranteed to limit exports to 200 million bushels, but in return has not received any guarantee for the sale of that or even a lesser quantity. It is also claimed that with the quantities of wheat available there is little likelihood of prices reaching, in the near future, at any rate, a figure necessitating a fulfilment of the tariff revision obligations of the importing countries.

I was very much interested in the comment of the Free Press, which is not exactly favourable to reduction. The Free Press of January 20, 1934, admits that:

> —the Alberta farmers have an air-tight case. . . . If the Canadian government proposes to make itself responsible for the quantity of wheat grown and sold in the dominion, it must guarantee an income to the farmers, whose right to compete freely as producer and seller it abridges.

These, I think, are some of the other measures that will have to be enacted supplementary to the control of production.

Mr. STEWART (Leeds): Is the hon. gentleman overlooking the fact that provision is made in the agreement for also increasing consumption in the consuming countries?

Mr. WOODSWORTH: I am not sure how far that goes. I know that some of the consuming countries were present, but I have not seen any indication that there will be any increase in consumption from Europe.

Mr. STEWART (Leeds): It is in the agreement.

Mr. WOODSWORTH: There is a reference to it. The speech announces another loan. That is a still heavier mortgage on Canada. The public debt of Canada, including federal, provincial, municipal debts and those of public corporations, amounts now to $8,652,727,000. These figures are taken from the report of the Royal Commission on Banking. Our population is a little over ten millions, and this means $800 per head. At 5 per cent it would represent $40 a year interest per head of population. If we take the average family of five, that would mean $200 a year that we have to pay in interest charges on the public debt. This is an appalling amount and I should like to suggest that whether the present government or the official opposition is in power, to say nothing of our group ever being in power, that money will not ultimately be paid; it cannot be paid. On New Year's Day I remember on the front page of one of our city papers there appeared a photograph of twin babies born on that day. I would like to have a cartoon made and to hang around the neck of each of those two babies a little tag bearing the words "Eight hundred dollars mortgage." Those two children started out in life on New Year's Day, each mortgaged with $800 of public debt, to say nothing of the over-capitalized industrial debt which bears so heavily on each one of us in this country.

Mr. MORAUD: They might have the $800 coming to them.

Mr. WOODSWORTH: They might have. There is that much in resources, but it is not available.

I am glad to say that one of the new members recognizes the problem; the new member for Mackenzie (Mr. MacMillan) according to a dispatch by Mr. Hart to the Winnipeg Free Press of October 13 last, said:

> Conscription of wealth to wipe out Canada's burden of debt was advocated by J. A. MacMillan, Liberal Candidate in Mackenzie riding, while speaking at a public meeting held here Thursday night.

He gave figures with regard to this heavy debt and then went on to say:

> I am not an extremist, but I believe that the same authority that came into our homes during the war and took our sons from the knees of their mothers, because there was a national emergency, should not be afraid to take similar steps to bring to the aid of the nation all surplus wealth. We conscripted men, why not money? There is now another national emergency that will have to be faced resolutely and squarely, if the country is to weather the storm. One of the ways out of the difficulty would be to get rid of the terrible burden of interest by paying off a substantial portion of the national debt, and this can only be done by conscription of wealth.

I welcome that statement from the new member for Mackenzie, but I should like to ask: Does the leader of the opposition (Mr.

Mackenzie King) agree? The Liberal party rather puzzles me. Only a few months ago the Hon. Vincent Massey, president of the National Liberal Federation, speaking at Lake Couchiching conference on The New Economic Nationalism, said:

> It's a difficult world to live in; we are witnessing the very transition between old laissez-faire improvising ways of doing things, and a tightly planned modern state system. We have to plan our own recovery in this easy-going country of ours, our own reconstruction, our own relationship to this new world.

And again:

> The primary conflict is not therefore isolation versus internationalism but planning versus improvisation, and in this trouble planning will, I believe, be victorious.

Once again:

> It must suffice for me to say that national planning will have to be the foundation of Canada's international relations. Old conceptions of government must give place to new.

Needless to say, I heartily agree, but I ask: Does the leader of the opposition agree? That is the question?

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I am sorry that the forty minute rule which applies to the ordinary member deprives me of the pleasure of following the hon. member for Winnipeg North Centre (Mr. Woodsworth) over the ground which he has covered, as I had already prepared some notes on which I desire to speak referring to the portion of the country which I represent. Opportunity, however, may be given us later on in the session to refer to some of the points raised by the hon. member who lately has laid before the country a new policy which has startled many parts of it and has not been accepted as thoroughly, freely or quickly as probably he had expected.

The old custom that was in existence when I first came into the house, I see, still prevails, of congratulating the mover and the seconder of the address. A couple of days ago the Minister of Justice (Mr. Guthrie) came over to my desk to remind me that he and I had had the honour of sitting in parliament for thirty-eight sessions. This is our thirty-eighth session. We are the sole survivors of the parliament of 1900, and looking over the Parliamentary Companion some time ago I was amazed to note that 1,080 members have gone through parliament since the Minister of Justice and I had the honour of being elected for the first time, he for South Wellington and I for Bonaventure. He moved the address and I had the honour of seconding his motion. I am glad Providence has been kind to us that we have both been able to pass through all this turmoil and stress through which Canada has passed during the last thirty-four years we have been here and in which period thirty-eight sessions have been held. I congratulate the hon. member for Compton (Mr. Gobeil) who, as an active young man, came into parliament last election, and the hon. member for Fraser Valley (Mr. Barber) on the way in which they accomplished the difficult task which they had to perform. Moving and seconding the address is not always as pleasant a duty as it might be, but in their case they acquitted themselves well in what was a hard task to perform.

Reading over the speech from the throne and looking back to the program of the present government and its actions since it came into power in 1930, I recalled the first election in which I took part officially. The famous election of 1878 which terminated on September 17, and by which honest Alexander Mackenzie was beaten at the polls on the so-called national policy. I had the honour on that day of being returning officer and representative to a certain extent of Hon. Mr. Mercier who ran in the county of St. Hyacinthe and was defeated by the present Judge Tellier, now dean of the Quebec bench, a retired judge, on the great question of the national policy when Canada went back on the tariff for revenue and took up Sir John A. Macdonald and his colleagues after their escapade of the Canadian Pacific railway scandal, entrusting them again with the government of this country under the old banner of protection and high tariff. I have no time to go back to what protection did or to what was called then an infant industry. When Sir John A. Macdonald delivered his speech in the house he started to qualify this protection as being intended for the infant industry. Canada was then a different country from what it is to-day. A long time has elapsed since then. Our population has increased; our revenue has increased; our standing in the eyes of the world is vastly different, but our liabilities, responsibilities and the burdens which we have to carry have also greatly increased.

When Sir John A. Macdonald, great statesman that he was, appealed to the Canadian nation for support on his policy, he appealed to them naturally with what at the time was the most pressing appeal that could be made.

There was unemployment in the country. He promised to give the people employment, to open factories, to give Canadians the control of the Canadian market, he promised to bring back prosperity to Canada. Alexander Mackenzie had refused to raise the low tariff we had then for revenue purposes, because he thought the manufacturers of Canada were well enough protected at that time and that it was not fair to bleed the consumer for the benefit of the manufacturer, so rather than go into this new adventure of protection and higher tariffs that Sir John took up Mackenzie was beaten at the polls. Sir John took up protection, and we had protection with a vengeance, although nothing compared with that of 1930. It was a boon for the infant industries, they grew, and the Liberal party complained year after year that this protection, instead of being reduced as the infant industries grew, continued to increase. Then in 1896 the blast came. Canada was on the rocks. Protection in Canada was as dead as a doornail. The Canadian west was almost given up, the Canadian Pacific was running its trains with no revenue, Canada in fact was in a retrograde position. That was the effect of protection after its trial from 1878 to 1896.

Then we had the Liberal boom. Why had we that Liberal boom? Because Laurier opened the doors to our trade; Laurier, with Fielding, brought about the British preference, and Canada boomed. In 1911 I had the honour of occupying your chair, Mr. Speaker, and I remember as well as though it were yesterday, when Fielding and Paterson offered the Reciprocity treaty to this house. The only thing that could be said against it was that it was a dangerous thing to deal with Americans, and that Canada was doing well enough alone, and matters should be left as they were.

In 1911 the Reciprocity treaty was turned down. But there is no man in Canada to-day who knows conditions and is willing to be frank but will admit that Canada committed a grievous mistake at that time. When the right hon. Prime Minister, whose talents no one would deny, whose devotion to his party, and I hope to his country, is unquestioned, took up the leadership of the Conservative party I looked back to the days of Sir John A. Macdonald to see how the programs compared. I realized that he was making the same appeal that Sir John had made in 1878: "I will give you the Canadian market, I will make Canadians masters of their own market"! He did that, but since Canadians have been masters of their own market Canadians have no money to buy the products produced in Canada. The present Prime Minister repeated Sir John A. Macdonald's program, took up the same cry, and with the same result; he secured office. The people trusted to what he said, every man is anxious to get a job when he is out of work, every manufacturer desires to get a market if the market he has is not satisfactory. But the failure that came to Sir John's policy has come much more quickly to the policy of the present Prime Minister, because conditions have changed from what they were in 1878. Communications to-day are different, countries are linked together by rail, water and air, the telegraph and the radio. Such was not the case in 1878. When I heard the Prime Minister in 1930 move these high tariffs, my mind wandered back to the days when Wilfrid Laurier and Alexander Mackenzie and Richard Cartwright and Mills and Davis and Fielding and Blair and all those stalwarts of the Liberal party fought day and night against such policies as being suicidal to Canada. High tariffs will never suit Canada, with its immense resources, its enormous territory and its great future. The mistake the Prime Minister made in bringing about this new policy of his had been committed in the United States by the Republican party. The Republican party had closed the doors and raised the walls against other countries, and wanted to subsist to themselves. What was the result? When Hoover appealed to the people last March he faced an army of 14,000,000 unemployed out of a population of 120,000,000. When the Prime Minister went to the country he knew there were 100,000 unemployed in Canada. How many are there to-day? How many were there last year? I am willing to admit that if the Liberal party had been in office during the last three years with the same policy that our friends now have in force we would have had the same results. But if the Liberal party had been in power we would not have had that policy. We would not have closed the doors, we would have continued to do business as we had in the past. The leader of the opposition gave figures; I have no time to refer to figures, but our trade has dropped $2,000,000 a day since the present administration has been in office. Is it any wonder there is hardship in this country.

I represent one of the oldest parts of Canada. It was on the point of Gaspé, four hundred years ago next July, that Jacques Cartier landed in North America and took

possession of this northern part of it in the name of the king of France, and erected thereon the cross of civilization. That was the discovery of Canada, and I hope the present government will see to it that the four hundredth anniversary of this great event in the history of this country is properly commemorated. I know representations have already been made to the government. Dates such as this should not be forgotten and should not be allowed to pass unnoticed.

I have had the honour of representing the county of Gaspé for thirty-four years out of the forty-two years it has given its allegiance to the Liberal party. I declare that never have I known conditions to exist in the Gaspé peninsula such as have existed during the last two or three years. When I went down there last year we had been talking about controlling the production of wheat in western Canada, but there were families of poor fishermen on the Gaspé coast who had no bread to eat. Some have no bread this winter, they are subsisting on fish and potatoes—when they can get them. They have no work; our lumber industry is dead, our shanties closed, our mills idle, our fish selling at one or two cents a pound. We have no markets of any kind. We talk about central banks, talk about the control of currency, talk about the amalgamation of railways, talk about all these hundred questions that come before us, but what is the cause of all our trouble? The cause is that we have no markets for what we produce and the policy of this government has made us lose what markets we had. That is the cause of the whole trouble. Find a market for what the farmer produces, for what the fisherman produces, for the product of the miner and the lumberman, and your troubles are solved.

When the Prime Minister came into this house in 1911 I had been here eleven years before that time. He came with wild denunciations of reciprocity with the United States. Is there anything more foolish than to condemn such a policy? Are we not destined forever to have dealings with our great neighbour? The great natural market of this country is the United States. As the United States prospers so will Canada prosper, and as long as the United States does not prosper no prosperity is possible to this country. I am a British subject, I was born a British subject, and in the words of one of my great countrymen, I shall die a British subject. But never forget, Mr. Speaker, that in matters of trade we are talking business and not of political allegiance. Whatever our business may be with the British Empire and the sister dominions it will be always infinitesimal compared to what it should be, what it might be and what it ought to be with the United States of America. Give us the American market to-day; give us the market Laurier, Fielding and Paterson obtained, and immediately you annex 120,000,000 people to this country. My hon. friend from Manitoba who has sat here with me for many years is interested in live stock. Give him the American market and see what will become of the live stock business.

Mr. MULLINS: Hogs?

Mr. MARCIL: Yes, anything; give us the American market and you will see that Canada will change overnight.

Mr. MULLINS: You lost it, not we.

Mr. MARCIL: Sir Wilfrid Laurier went down in 1911, but thank God he went down fighting for a good cause. He fell fighting for the noblest cause ever advanced in this country. Even now, Mr. Speaker, to his eternal memory let it be said that his name is never mentioned in this house except by way of eulogy and in defence of the great principles which he initiated and brought before the Canadian people.

The cause for which Sir Wilfrid Laurier fell is just as important to-day as it was then. How can Canada prosper if the United States does not prosper? How can Canada hope to get along without the United States? Down in my constituency we have no markets for our fish, our lumber or our agricultural products. Thousands of our men are unemployed; they write to me every day and say, "Marcil, you are an old member of parliament. Is there no means by which you can bring about an appeal to the people so that we can have an election and change the political system of Canada? The present system is ruining us. We cannot stand it any longer. We have no work and nothing to eat." When I went to my constituency last summer the first man I met said, "Can't you give me a chance to earn a dollar? I have not seen a dollar for a year." What I say is absolutely true; if the government doubt it let them bring on a by-election in Bonaventure county or in any part of Canada and they will find out that I am correct.

I should like to correct a mistake which the Prime Minister inadvertently made the other day. The constituency of Restigouche-Madawaska adjoins my constituency; we are only separated by the Restigouche river. The right hon. gentleman said that Restigouche-Madawaska had not elected a Conservative

since 1896, but that was a slip. In 1925 Mr. Culligan defeated Mr. Michaud in that constituency, and in 1930 Mr. Cormier was elected, so that from 1896 until 1930, in five elections there were three Liberals and two Conservatives returned. Apparently that is good fighting ground. But here is a remarkable fact. This county, which in 1930 elected a Conservative by a majority of five hundred, turned around and defeated the candidate of the same party by a majority of six thousand, and the Conservative candidate lost his deposit. The candidate of the party led by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) was defeated just as badly. The Solicitor General (Mr. Dupré) came into my county last summer and warned the people against the coalition that was being formed between the C.C.F. and the Liberals. I am sorry the Solicitor General is not here; of course he was not sincere in what he said, but he warned the good people of Bonaventure not to vote Liberal because the Liberal party were working hand in hand with the C.C.F. The result was quite unexpected, of course.

There are other matters to which I should like to refer, Mr. Speaker, with regard to my constituency. No doubt in the last few days the Minister of Railways (Mr. Manion) has noticed that the eastern part of Canada has suffered from the most severe snowstorms in its history. They say that such a condition has not prevailed in the eastern part of Quebec and the maritime provinces for twenty-five years. No less than four of the crack trains of the Canadian National railways were tied up at one time by snow in the Matapedia valley, a large part of which is in my constituency. Of course I am not blaming the government for this.

Mr. MANION: It is the only thing we have not been blamed for.

Mr. MARCIL: Snow is the only thing we have in abundance down there, and that abundance comes from providence. There is something that could be done by the Department of Railways, however. The minister is always very pleasant and agreeable, and judging from the number of speeches which he has to deliver all over the country—and his speeches are always interesting and entertaining—he is one of the most popular members of the administration. During the recess I followed his advice and arranged a meeting with Mr. Appleton, the manager of the eastern lines of the Canadian National railways, at Matapedia.

Here are the circumstances, Mr. Speaker. When we took over the Gaspe railway the people of the province of Quebec, who had built this railway as a provincial line, expected that it would remain part and parcel of the Quebec system of railways. We had the terminal at Matapedia, which was the connecting point between the Gaspe railway and the Canadian National railways. When this railway was taken over the late Sir Henry Thornton promised us that he would give it a fair trial, and he left the terminal at Matapedia. Shortly after his sad departure, however, the terminal was changed overnight to Campbellton. So we have a train that runs two hundred miles through the Gaspe basin to Matapedia; then it goes back thirteen miles to Campbellton, over the ground that it covered an hour before, to hand over the mail and deliver passengers. The only alternative is to leave the other passengers stranded on the platform at Matapedia until the train comes back again.

All the chambers of commerce in the province of Quebec, the commercial travellers' association, the Solicitor General and God knows who else have protested. There has been a war on for a year past between the Post Office Department and the railway administration with regard to the cost of carrying these mails from Matapedia to Campbellton and back again. I am told that it cost the Post Office Department $2,000 extra last year to carry these mails down and back. The Postmaster General has been appealed to, as have the Solicitor General and the Minister of Marine, who represent the province of Quebec. Now I want to lay my case before the Minister of Railways. No doubt he will tell me that he has nothing to do with the matter, but that will not work with the people. I know the minister is a friend of the railwaymen; his candidate in Restigouche-Madawaska was a railway man, but now the people of Matapedia want this question settled.

We all know that Mr. Hungerford, who is an experienced railway man of high standing, has been promoted—and fairly, I think—to the position of president of the Canadian National railways. He should view this question as it ought to be viewed. Here is the oldest province in the Dominion of Canada, a province which, with Ontario, carries about three-quarters of the burden of this country. We built this railway; we were given poor service for many years. Now we have an improved service, and we want to keep what properly belongs to us. Why should the terminal be moved from Matapedia to Campbellton, thirteen miles out of the way in New Brunswick? They say it was done because of economy. When Mr. Appleton attended a public meeting in Matapedia he wanted us to

appeal to the Board of Railway Commissioners, but how can you expect a lot of poor people in a village down in Bonaventure to undertake to fight the Canadian National railways and prove that it is cheaper to run trains to Matapedia than to Campbellton? We asked the railway commission if they would not inquire into the matter, and they said: No, we cannot unless we get an appeal to us. The people of the district would not appeal because they say that once a decision is rendered it will never be reversed. I ask the Minister of Railways to take that matter up and do justice to the people of that district. Here are people who have had a terminus in their village for the last forty years. It is taken away without any cause or reason, without any benefit or advantage, and at great trouble and greater cost. Why should that condition of affairs continue to prevail? I hope the Minister of Railways will change it.

They talk of economy on the railways, Mr. Speaker. Last December there was an unfortunate accident in my county on the Canadian National railway. An engine driver, John Allard, who had been in the service of the road for forty years, was taking his train through a snow storm, his engine being coupled to the snowplough in front of it. His engine was hauling a long train, and when the snowplough came to the trestle at St. Charles de Caplan the snowplough toppled over and fell into the Baie des Chaleurs, bringing the locomotive and tender down with it. Poor John Allard lost his life. Fortunately the link between the tender and the passenger cars broke and the train remained on the track; but if that had not happened, instead of one life being lost, one hundred lives might have been lost. I am told that this was contrary to railway practice. Is it customary to couple these snowploughs to passenger trains? Is it not rather the practice to send out the snowplough followed by a caboose to clear the track? If the practice that resulted in the loss of this man's life is allowed to prevail on the Gaspe railway, where bridges have to be crossed over the river almost every ten miles, and bridges with difficult approaches, sharp curves and so on, such an accident is likely to happen again. If these snowploughs have to be sent forward before the passenger train comes along, let them be sent with a caboose, and not placed ahead of the passenger train.

Mr. MANION: May I say to my hon. friend that to-morrow I shall very gladly send a copy of his speech to Mr. Justice Fullerton, the chairman of the board of trustees, and ask him to give the matter every consideration. Of course, my hon. friend knows that I have no control whatsoever in either of these matters that he has brought up.

Mr. MARCIL: I agree, but the position I take is this: When parliament speaks it speaks for all, and when I first came to this house, a member of parliament was somebody and a minister was somebody. When I saw Laurier or Blair or some other minister, what I said for my county was the law, and I was held responsible by the minister for what was done in my constituency, and the trust was well reposed, I think, because the people have held me there for thirty-four years. But now they say: Marcil, you are an older man; you are not as smart as you used to be. I tell them that conditions have changed.

Talk about Mr. Justice Fullerton—there is just one instance of the change that has taken place. Parliament has abdicated its functions in respect of the railways into the hands of Judge Fullerton. His salary has not been cut. I must congratulate him upon that. His salary was raised—

Mr. MANION: His personal salary was not cut, but the salary, and allowances, of Sir Henry Thornton was higher than his by $125,000.

Mr. MARCIL: Sir Henry Thornton is dead and the other man is alive. There is another instance, Mr. Speaker, of what parliament has been doing. When you talk to the common people of railway commissions, board of railway commissioners, tariff commissions, soldiers' commissions, land commissions, and so on, they say: What is the use of your going to Ottawa? My reply is, Well, I am going there merely to vote the money that is necessary to carry on these commissions. As a matter of fact, we have abdicated all of our powers. We have no power at all. Parliament to-day is administered by order in council. There is a notice on the order paper to-day by the Prime Minister, who is going to have an inquiry into the spread between producer and consumer. The hon. member for Compton (Mr. Gobeil), who moved the address in reply, talked about New Zealand butter. He was elected on New Zealand butter. Canadian butter at the time of his election was selling at thirty cents, but last year in my constituency the farmers got nine cents for their butter, and they are dying now for an opportunity to vote the other way. The quality of that butter selling at nine cents a pound is first-class because I may say that the butter of the parish of Bonaventure took first prize for the province of Quebec.

Mr. GOBEIL: May I ask the hon. gentleman if he knows what was the average price of butter for 1933?

Mr. MARCIL: On the market it is selling at from twenty to twenty-two cents. That is what we pay for it here.

Mr. GOBEIL: That is not an answer to my question. I asked if the hon. member knew the average price for butter in 1933?

Mr. MARCIL: I am telling you what my farmers get for their butter in Bonaventure, and it is about nine cents a pound, and if the hon. gentleman wants to know their feeling in the matter he might go down there and consult them and see what they think about it.

In the time left at my disposal I am unable to refer to the speech from the throne at any great length, except to say this: My conception of the duty of the government is to try to undo what was done in 1930. In 1930, in order to carry out the promises which they had made in the election campaign, something had to be done, and the government said: We will raise the tariff. They tried to make the people believe that Canadian trade would expand under their policy and that the number of the unemployed would be decreased. That policy has been a dead failure, Mr. Speaker.

As I said a moment ago, the first election I took part in was on September 17, 1878. I have been in public life for over fifty years, and I may say that in the thirty-four years I have been in this parliament, never has a Canadian government made such a terrible fiasco as the present government. It is not because of want of clever men, because there are many clever men in the cabinet. Right opposite me, for instance, sits the former premier of Nova Scotia, and I see also my old friend the Minister of Justice, as well as many other clever men. The fiasco is due to a wrong policy—this wrong policy of hemming Canada in with high tariff walls. We are spending $250,000 on the League of Nations every year, and what has the league been telling us all the time? They have said that these high tariffs, these trade barriers, promote economic war, and that economic war leads to military war. Why are we squandering money in sending representatives to the League of Nations and then going contrary to its recommendations?

I want to congratulate the leader of the opposition on the speech he made on the League of Nations and on his magnificent speech in this house the other day which it took four hours on the part of the Prime Minister to try to demolish. I say, Mr. Speaker, that this tariff policy of Canada must be changed. We must lower our tariffs and open our gates to the outside world as a whole. We must have relations not only with the British Empire but with the whole world. We must have relations with the United States of America, which is our greatest neighbour.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) tells us that each of us carries a mortgage of $800 around his neck. This government does not want to deal with the Americans, but it is ready enough to enter into a treaty with them to give over our greatest heritage, the greatest asset that Canada possesses, that system of waterways in the St. Lawrence and the great lakes. This government wants to go into partnership with the Americans to bring about the development of waterpower and navigation. There is no sane man in this country who ever navigated salt water—I am sorry the hon. member for Antigonish-Guysborough (Mr. Duff) is not present at the moment—who will tell you that any ocean-going steamer will ever go up beyond Montreal. It is true that small steamers may go as far as Duluth. When Jacques Cartier and Maisonneuve selected Montreal as the head of navigation, they were wise in their day. Beyond that point you can have lake and river navigation, but the large ocean-going steamers will stop at Montreal. Nothing goes beyond Montreal. The tendency is towards the building of larger ships and at the present time many ships cannot go beyond Quebec. Why should we enter into a treaty of this kind at a time when we have no money to meet our engagements and when not only the dominion but the provinces are weighed down with burdens. I heard the Prime Minister state the other day that we had spent $141,000,000 in helping the provinces give relief to the unemployed. I can remember the days when this country had a budget not as large as that. The city of Ottawa has 6,000 families on relief. Practically under the Peace Tower which honours this building we have a refuge which has been running day and night for the last three years. Hundreds of thousands of people out of work have been fed here and the same thing applies all over the dominion. Is that not enough to open the eyes of any man who has a desire to see what is going on?

We must reverse our policy and the sooner we do it the better. If the Prime Minister wants to know what is the feeling of the country, let him go before the people. In

all the years I have sat in this chamber it has always been customary for a government to go to the people at the end of four years, but the Prime Minister has had five sessions. There was only one other government that committed the mistake of not going to the people at the end of four years. That was the Tupper government of 1896. They had six sessions and hon. members know what happened to them—they were put out of office. We must reverse our policy as soon as possible. We should have a tariff for revenue purposes only. We should carry on the policies that Laurier and Fielding delegated to us when they left public life.

Hon. members should remember the position which Canada occupied in 1911 and compare it with our present position. In those days the St. Lawrence had been transformed into one of the great waterways of the world. Hon. members will remember the map of the British Empire which was printed in red upon the stamp which that grand old man of Ontario, Sir William Mulock, had accepted by this house. I cannot mention that name without recalling that out of that first government which I had the honour of supporting there are to-day but two survivors, Sir William Mulock and Sir Charles Fitzpatrick, the former Lieutenant Governor of Quebec. These men did something for Canada. They placed Canada on the map. They had a policy which was acceptable to other nations. When Laurier shared with Queen Victoria the honours of the Jubilee in London and when she pressed upon him the acceptance of the title which had been conferred, Canada had entered upon the great golden era which extended from 1896 to 1911. We had free markets and free intercourse with other nations except for purposes of revenue.

We cannot impose high tariffs without their being beneficial to someone. If they are beneficial to the government, they are not beneficial to the consumer. If they are not beneficial to the government, they are not beneficial to anyone. A tariff is nothing but a tax. If revenues are falling, as they are to-day, what is the reason? It is because the tariff is too high and therefore there are no importations. When there are no importations, there is no revenue, and when there is no revenue, then we must borrow and keep on borrowing. We go to London and float a loan for $75,000,000. Is there any country in the world that would refuse to lend money to Canada? Canada is one of the most promising countries in the world. We occupy the best part of the North American continent and we can pay all that we borrow.

The hon. member for Lanark (Mr. Thompson) mentioned immigration. I remember when his predecessors John Haggart, Sir John A. Macdonald and others contended that the future of this country rested upon the immigration policy of the Conservative party. They endeavoured to bring immigrants to this country but they had not the Canada which Laurier made. They had not a cheap country in which to live. When Laurier went out of office he had succeeded in creating two new provinces in the west, Alberta and Saskatchewan. As Deputy Speaker of this house I had the honour of signing the bills creating those new provinces. Laurier put over a million new people into the west. These were consumers and they are the mainstay of the west to-day. Our right hon. friend represents Calgary, but what was Calgary in those days? What were Edmonton and Winnipeg? The west was a wilderness except for the narrow strip of the Canadian Pacific Railway. Laurier developed the west along with Sifton who was in charge of the immigration policy. They brought a million strangers into the west and those people are represented to-day in this house. The fathers of some of our present members were numbered among the newcomers of those days. Is there anyone who will say that we have not room for 25,000,000 or 50,000,000 people? If the country on the other side of the line can harbour 120,000,000 with practically the same territory, why should we be content with only 10,000,000? But we have reached this point: instead of expanding and developing, instead of going towards the future with buoyant revenues and buoyant trade and a cheerful population, we are oppressed and weighed down. Our people are dissatisfied and discontented. Policies are being carried out which were never heard of in the days of Macdonald or Laurier. Canada has been changed because of a false fiscal policy.

I believe in the sincerity and optimism of my fellow members on the other side but I reiterate what I have always said, their present policy is a false policy. That fact was decided by Sir John A. Macdonald, the greatest Roman of them all, and when his great successor, Sir Charles Tupper, came into office in 1896, the national policy of those days was as dead as a doornail. That was replaced with the policy of Fielding and Laurier, a policy of reciprocity with the British Empire and with the United States and—

Mr. SPEAKER: I regret to have to interrupt the hon. member but he has exceeded his forty-minutes.

Mr. W. H. GOLDING (South Huron): Mr. Speaker, in rising to continue the debate on the address let me at the outset extend my congratulations to the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address. I think we all appreciate the fact that the task assigned to these two hon. members was not an easy one. I think we all agree that they endeavoured to present the views of the government in a clear, moderate and forceful manner and are deserving of congratulation. While we appreciate the splendid efforts put forth by these hon. members, we feel that we cannot agree with their views with regard to the many debatable points which they have brought to the attention of the house.

It is now nearly four years since this government took office in 1930; this is the fifth session and we have had a fifth speech from the throne. Personally I have been keenly interested in reading the speeches delivered year after year by His Excellency since this government took office. I have noticed particularly that upon each occasion great care is taken to emphasize the efforts being made by the government to restore confidence and promote prosperity in our country. I do not think that I am in any way exaggerating when I say that great things were and still are expected from this government, and for that reason the eyes of the Canadian people, from the Atlantic to the Pacific, have been turned with expectancy and hope from year to year to the contents of the speech from the throne. That is particularly true this year, because, after all, hope deferred maketh the heart sick; and as far as the hopes that have been raised by previous speeches from the throne are concerned, I think the Canadian people, and indeed the members of the government itself, must admit that they are far from having been realized.

The Prime Minister (Mr. Bennett) has accused the Liberal party of trying to capitalize the present unrest and depression. I think it was unfortunate that he should be the one to make this charge, because I have a very distinct recollection of the right hon. gentleman himself, in 1930, going through the country from one end to the other making various speeches, and if ever anyone endeavoured to capitalize unrest it was the Prime Minister himself. It did seem to be the policy, the planned policy I should say, of the Conservative party during the 1930 federal election to endeavour to saddle upon the shoulders of the Liberal government all the responsibility for the conditions that existed at that time. It seemed to me that every Conservative speaker and every Conservative candidate had been schooled to the fact that their duty was to attribute all our woes and ills and grievances to the government of that day. The depression that existed at that time was, in the expressed opinion of our hon. friends opposite, attributable to one source and one source only, and that was, as the Prime Minister himself described it, that band of mercenaries who had betrayed Canada for their own personal gain. We all remember that famous statement, "Nine years before the great betrayal; it did not take Judas that long." That was the language used towards those who then occupied the treasury benches; that was the chivalry shown towards those who were bearing the responsibility of government at that time.

Now, the only comment I wish to make on that is this, that I sincerely hope the time will never come when I shall have to use language such as that with respect to our hon. friends opposite or anyone else. I think we ought to try to give those who do not agree with us with regard to our economic situation credit at any rate for honesty of purpose. We were all anxious, I am sure, to hear the speech from the throne this year to find out what new promises or what new hopes would be contained therein. Before going to previous speeches from the throne, I may say that during the 1930 campaign, while our hon. friends did endeavour to belittle and ridicule the government at that time, they also set themselves up as the ones who were able to lead Canada and the Canadians out of all their economic difficulties, and in order to convince the people that they were capable of doing so, many promises were made which have never been fulfilled but which I think have created such a burden for the government that it now totters beneath its self-imposed load.

It is a well known fact that this government took office with a tremendous burden of responsibility resting upon it. A large part of that burden, perhaps, was not of their own making, but I do think that the greater part of the burden was of their own making, owing to the many extravagant promises made; and while we know that these promises were almost, in fact quite, impossible of being carried out, nevertheless the government secured thousands upon thousands of votes by making them. I quite realize that the picture that was presented to the electorate during the 1930 campaign in regard to the situation which existed then, and which I think to a large extent no party was responsible for, was

that the Liberal party was to blame for all these conditions. It is certainly interesting to review the statements made by the government in their previous speeches from the throne. If we go back to the first session held under this administration, which opened in September 1930, we find in the speech from the throne the following words:

> The necessity for dealing with exceptional economic conditions, with the resultant unemployment, has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff, which it is anticipated will do much to meet the unusual conditions which now prevail.

You will notice there that they refer to the Customs Act and the Customs Tariff, and at that session the government did introduce legislation which they believed would restore prosperity to the country. Indeed, they were simply carrying out their pre-election pledge to raise tariffs against all countries including Great Britain itself, and that of course they certainly did. Another important thing that was done then was the voting of some $20,000,000 for unemployment relief. In all fairness to the government, I am perfectly satisfied that they did believe that by putting into effect this high tariff policy, and by the action taken at that time, they would restore prosperity to our country—by using this $20,000,000 for the relief of the unemployed and by increasing employment through their tariff legislation, as well as by an effort to raise the prices of natural products. Indeed, I think they believed that by putting into effect their high tariff policy they were going to usher in for Canada a new and better day. After the close of that session, and with these new policies in effect, the people began to look with expectancy for the dawn of that better day, but to say that they were disappointed would be putting the situation very mildly. In a few months another session rolled around, and on March 12, 1931, there appeared these words in the speech from the throne:

> It will be your privilege to consider certain measures designed by my ministers to ameliorate existing conditions, to provide further means by which our people may go forward to achieve a prosperity heretofore unattained and to furnish them with all possible safeguards against a recurrence of the present subordination to world forces.

It goes on to say:

> My government has explored the origins of our difficulties and is firmly of the belief that many of our problems do not arise out of world wide depression, but are antecedent to it; and that domestic factors have also largely determined the degree of economic distress from which this country is suffering.

If that statement was true then it is equally true now, and we on this side have endeavoured repeatedly to point out that domestic factors have largely determined the degree of economic distress from which this country has suffered during the past two or three years.

The statement was made prior to the election of 1930; it was made during the campaign and it has been made since, that the Liberal government in 1930 were not making any effort to meet the change in conditions which was taking place at that time. In direct contradiction to that I say that the then government fully recognized the fact that changing conditions abroad and existing conditions at home were affecting business in Canada, and to meet this situation they endeavoured to formulate a policy, one vastly different in spirit and details from that which was adopted by our hon. friends opposite at the short session of that same year. The Dunning budget was designed to cope with existing conditions and had certain definite objects in view which were made clear to the people by the members of the government at that time. By this an effort was made to divert trade, an action which was really forced upon the then government. An effort was also made to lower the cost to the consumer, to lessen the cost of the implements of production to the basic producer and to lower the cost of raw materials to the manufacturer for export in order that he might be better able to compete in the markets of the world. Another vital point which had to be considered was the formulating of a policy which would at the same time assist in raising revenue. All these points were seriously considered by the then government, and notwithstanding all that has been said to the contrary, in my opinon the Liberal government did endeavour to formulate a policy which would cope with existing conditions at home and abroad. We all know that policy was never put into effect, and we on this side of the house and many people throughout the country feel that Canada was the loser by the change which took place.

It will be noticed that in the 1931 speech from the throne very little was said about world conditions; in fact our hon. friends opposite were at that time not talking about world conditions; it was the Liberal party that was responsible for everything. The speech of that year, after pointing out that the government had explored the origins of our difficulties and were convinced that many of our problems did not arise from world conditions, went on to say:

It was this belief which impelled my ministers at the emergency session of parliament held in September last to remove one of the root weaknesses in our industrial system by effecting such then possible changes in the tariff as would, in their opinion, provide substantial security against harmful world competition. Although in the interval world conditions have changed but little for the better, this tariff legislation has resulted in a marked improvement in the domestic situation.

That was part of the contents of the speech from the throne in 1931. In the third session which opened on February 4, 1932, we find the tone of the speech from the throne somewhat changed. It goes on to say:

World conditions are beyond the control of the Canadian people. But I rejoice that their resolute adherence to policies designed for the welfare of the nation has minimized the adverse influence of external economic forces. This period of trial has shown the Canadian situation to be fundamentally sound. . . . The provisions made at the last session of parliament for unemployment and farm relief are proving effective.

You are successfully meeting difficult domestic problems. Conditions are gradually improving.

In making his address a few days ago, the hon. member for Fraser Valley (Mr. Barber) stated that during the last few years about the best that could be said was to express a pious hope that conditions would improve. This is not an expression of any pious hope; It is a positive statement made in 1932 that conditions are gradually improving. Anyone who wants to be at all fair must admit that those words were not in keeping with the situation existing at that time. When we compare the prices which prevailed in 1930 with those which prevailed in 1932 and the number of unemployed as reported in 1930 with the number reported in 1932, we cannot help wondering how anyone could say that conditions were improving. There were only two reasons for making such a statement. The first, of course, was to try to raise the hopes of the people, and the second, and I think the principal reason, was to maintain confidence in the present government.

I quite agree that it really is important that every effort should be made to keep up the spirit and morale of a nation which has had to pass through such a period of depression as Canada has faced. I presume the government will expect us to excuse them on that ground for any unwarranted note of optimism that may have been expressed in their messages to the people given from time to time through the speech from the throne. I am not going to spend much time in adversely criticizing the speech from the throne for whatever note of optimism may be found therein. But I do think the members of this house—indeed, the Canadian people—are keenly disappointed that the government has not offered any concrete suggestion of a policy which would have at least some effect in dispelling the gloom that has prevailed in this country for some time. The government has had splendid opportunities to do effective work; as a matter of fact it has had opportunities in a national and international way that perhaps few governments ever had. There have been conferences; there were two imperial economic conferences, a world economic conference, a conference with the president of the United States; there have been federal-provincial conferences. As a matter of fact this government has probably taken part in more conferences than any other Canadian government in a like period of time. Our Canadian people did expect some beneficial results from these conferences, which certainly provided a splendid opportunity to get this much-advertised blasting policy into operation. But it is quite evident that the blasting machine was not functioning; so we have had large expenditures of money with very little result.

Mr. POULIOT: The result was nil.

Mr. GOLDING: As we all know, the first imperial economic conference was a failure. The second imperial economic conference, which was held in this city, afforded an opportunity for Canada and the other parts of the empire to lead the world in a campaign for a reduction of trade barriers. But, as was clearly indicated in the addresses delivered on this side of the house during the debate on the treaties, the very opposite happened. As a result of that conference not only did Canada raise her tariff against many countries, but Great Britain herself threw her hat into the arena of the tariff struggle, a struggle just as disastrous as far as trade and the restoration of normal conditions throughout the world are concerned as was the great war in its destruction of human life and property.

The Prime Minister stated here the other day, Mr. Speaker, that the trade of the world had shrunk to about one-third of what it had been previously. There could be no better evidence of the correctness of our contention as to the disastrous results that would inevitably follow high tariffs than the figures quoted by the Prime Minister. When we realize that our exports, which amounted to something over $1,144,000,000 in 1930, have fallen to possibly less than half of that figure in 1933-34, I think we ought to make a careful survey of our whole situation to ascer-

tain just what has happened to our foreign trade. I know the charge has been made by members of the government that some of these markets were lost to us during the Liberal regime. Especially has that charge been made in reference to the United States. And of course the charge is perfectly true. But why stop there; why not tell the whole story? Why not tell that it was a protectionist government in the United States which, believing as this government does in the efficacy of high tariffs, brought into being legislation which practically shut off our trade with that country? Why not go further still and examine the result of that legislation as far as the United States is concerned? Why not ask ourselves the question: Was that legislation beneficial to the United States? Did it increase the price of their wheat to any considerable extent? It seems to me that the action taken by the United States in regard to our trade was just about the most suicidal thing that could have happened to that country, and the same can be said of similar action by any country.

Mr. McGIBBON: What about the price over there?

Mr. GOLDING: However, we had hoped that the situation had changed in the United States since that legislation was passed. I know that our Canadian people looked up with new hope when the Prime Minister at the last session of parliament practically announced his conversion to the idea of a reciprocal trade agreement with our neighbours to the south. We hoped that with a government in power across the line advocating a reduction in trade barriers the opportunity would be taken to break down, in some degree, at any rate, the tariff wall that had been built up between us. The Prime Minister made reference to that in his speech the other day. He quoted present prices of hogs and similar products. I want to remind my right hon. friend that while that may all be true, this market in the United States was a valuable market to us, and our farmers regretted very much indeed the closing of that market to them. In 1930 we sent over there more than $15,000,000 worth of live animals. Even last year, with all the restrictions, we sent nearly $3,000,000 worth of live animals to the United States. I say in all sincerity that the government should make every effort to remove the shackles from trade. After all, the greatest problem that confronts this country is that of improving agricultural conditions. We are all agreed that the future of Canada is dependent upon having a happy, prosperous and contented rural population, as agriculture is our greatest basic industry. The demand is urgent by reason of the serious condition in which many farmers still find themselves, notwithstanding all that has been said about the increase in prices—and I hope the situation is just as bright as the Prime Minister pictures it. I am not concerned at all about who is going to get the credit for these increased prices; what I am concerned about, what I think we all ought to be concerned about, is the making of a determined effort to see that those increased prices continue and that our farmers be relieved of some of the suffering that they have had to endure in recent years.

I am not going to attempt to describe conditions in my own constituency. Perhaps they are not as bad as in some other sections of the country, but I want to tell the house that, meeting the farmers continually and knowing them intimately, I know that many who previously made heavy commitments are being driven almost to desperation wondering how they are going to come through. In all my association with the farmers—and I have been associated with them all my life—I have found them to be a courageous class. They come from a group of noble men and women who pioneered this country, and they are not easily discouraged. But this depression has really been reducing our farmers to poverty. They are unable to meet their obligations, to pay taxes, redeem mortgages, maintain interest payments and meet the necessary bills for machinery, gasoline and oil and such things. I feel that the continuance of existing conditions inevitably must affect every industrial and financial institution, and in turn it will seriously affect every worker.

I have read and have heard many different statements as to the reason the farmer finds himself in his present unfortunate position. Some, with no knowledge of farming at all, blame it on mismanagement; some say the farmer is buying too much, some that he is buying too little, and some have actually said that the farmer is gambling too much. I think if any class of citizens have received from our arm-chair and white-collar philosophers of this land more free advice than any other class, it has been the farmers. But I want to say, Mr. Speaker, that during this emergency the farmer does need someone to show him how to surmount the difficulties with which he is confronted; how to run his

farm without help; how to finance the growing, harvesting and marketing of his crops; how to construct his buildings and keep them in repair; how to pay taxes, redeem mortgages, maintain interest payments, clothe, feed and educate his family, support the church and other local institutions, as well as a hundred and one other things which time does not permit me to enumerate. I have pointed out that many farmers are trying to meet all these bills with an income barely sufficient to provide for the living expenses of themselves and their families, and I feel that the improvement of farm conditions will involve to a large extent the solution of other problems such as industrial regeneration and unemployment. In view of the definite promise made by the Prime Minister that the wrongs of the Canadian people would be righted, the people in my constituency are keenly awaiting the coming of the great day of fulfilment.

As one of the great exporting nations of the world I think we all realize that we need more and more markets. In this country we do not want any policy of extreme nationalization. I think we all realize that internationally we are all interdependent, and it has been pointed out by economists and statesmen that throughout the world more than a billion people are potential consumers of our surplus products, and that with the right kind of governmental policy they can be converted into actual consumers. All the great problems that confront this country at the present time, including farm relief, agricultural surpluses, the utilization of manufacturing productivity, unemployment, the maintenance of our standard of living, our continued development and progress and international goodwill with resultant international peace, all seem to me to be bound up in this great problem of the expansion of our trade. I am persuaded that not until we start trading with one another, buying and selling and selling and buying, need we expect any economic recovery. No inflation, deflation, reflation or any other kind of flation will be of any avail until we have a buy-and-sellation.

I do not want to conclude my remarks, Mr. Speaker, without making reference to a speech delivered in Toronto by the Minister of Trade and Commerce (Mr. Stevens) on which I congratulate my hon. friend. I have had some correspondence with the Department of Agriculture and the Department of Trade and Commerce, and I am certainly pleased to find from the order paper that the government is going to appoint a special committee to investigate some of the matters that were referred to by the Minister of Trade and Commerce. Among the questions into which they are to inquire I find:

(d) the methods and system prevailing in the marketing of live stock and animal products for domestic consumption and export, and the extent to which the present system affords or restricts opportunity for fair returns to producers.

I am very glad indeed that the government are going to make a thorough investigation into this question. I have had a good many complaints with regard to shipping facilities available in connection with sending cattle to the old country, and I am endeavouring to take up this matter with the department. I think hon. members will appreciate the situation in which the farmer finds himself. If he is not getting a square deal it is absolutely impossible for him to defend himself in any way. He is not getting prices that will warrant his taking any action against anyone at all. I think it is the duty of the government to have a thorough investigation made in order to see if the farmer is being given a fair deal, and I hope that will be done.

With regard to the speech from the throne, and particularly with regard to the proposed central bank, of course we have no idea what position the government is going to take. This central bank has been advocated by the Liberal party for some time, and we on this side will simply have to wait until the bill is brought down to see whether or not we can approve of the central bank system proposed by the government.

Mr. CARMICHAEL: May I crave your indulgence to have it called six o'clock, Mr. Speaker?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, in continuing the debate on the speech from the throne I assure you, sir, that I have no intention of emulating or trying to excel some of the marathon speeches which thus far have been given forth in this chamber. The government has moved through its accredited representatives:

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

That is the formal motion which is now before the chair, and I congratulate the mover

(Mr. Gobeil) and the seconder (Mr. Barber) on their addresses in placing this motion before us.

From the official opposition has come an amendment to the main motion moved by the leader of the opposition (Mr. Mackenzie King), as follows:

That the following be added to the motion: "We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country."

There is no mistaking the intention of this amendment. It is a straight no-confidence motion and, of course, if carried would mean that the government should forthwith tender its resignation, and the country would be faced with a general election. From this corner of the chamber has come forth an amendment to the amendment proposed by the hon. member for Acadia (Mr. Gardiner), who leads the so-called Cooperative Commonwealth Federation forces—an amalgamation of farmer, labour, socialist forces, et al, we might say—called the Cocofeds out in our country. They have proposed that the amendment be amended by inserting after the word "advisers" the words "and official opposition". The amendment as amended would then read:

We respectfully submit to Your Excellency that Your Excellency's present advisers and official opposition do not possess the confidence of this house or of the country.

Of course, this subamendment if carried would also mean the defeat of the government. It would even have a more far-reaching effect than that. It would mean that the country would have no confidence in either the Conservative or the Liberal forces to carry on government in this country, and the natural conclusion would be that the only force capable of carrying on the affairs of the state would be the representatives of the Cocofeds.

I have been listening to the debate thus far and had not proposed taking any part in it until this afternoon, and then I purposed doing so because I asked myself the question, what was going to be my own action when these various proposals were put before us for recording our vote. I represent a large rural constituency in that great agricultural province of Saskatchewan. I have a population of somewhere around 35,000. They are not all able to be here, and I think they expect me fairly well to represent what would be the majority wish of those citizens.

In order to put my position fairly before the house I shall have to go back a few years into political history and state that in 1921 I was first elected to this chamber under what was called the Progressive association in our province. In my own constituency we had the Kindersley Progressive organization, which was affiliated with the Saskatchewan Progressive association. I was first elected under that organization known by that name.

In the general election of 1925 I was again elected by that same organization under the same name—Progressive. In 1926 I again had the honour of being elected by the people of that constituency as a Progressive. In 1930 our organization changed its name to the Saskatchewan Farmers Political Association, but it did not change its aims, its objects or its ideals. They were still the same as those of the old Progressive organization; that is, they were anti-party. They were opposed to contributions to campaign funds by moneyed interests largely for the purpose of holding a club over the party that might be elected to power. They maintained then, as they have always maintained, that each representative of the people should be elected and his campaign expenses paid by the contributions of the several electors caring to do so in the constituency. My four elections were run on that basis, and the expenses, I assure you, have been kept down to almost a minimum. In 1930 I came here representing practically the same organization, although under a different name, that I represented when I first was elected in 1921. This organization is not affiliated with the United Farmers of Canada, Saskatchewan section, and therefore is not affiliated with the Cooperative Commonwealth Federation. The United Farmers of Saskatchewan have affiliated with this newer cooperative association. Therefore, as a representative of that constituency, I do not feel that I am bound by the actions of the United Farmers of my own province. Not being associated with them myself, and my organization not being affiliated with them, I naturally conclude that I am not bound to associate myself with all the views as propounded by the Cooperative Commonwealth Federation leaders.

While I have every respect for the farmer and labour representatives in this corner of the house and propose to cooperate with them in so far as I possibly can, I must say most emphatically that I do not share all of their views in regard to our present economic order, or that the best way out is in a complete change of that order. I do not share those views.

Not having any particular party leanings, not being affiliated with any particular party association, I have been led to inquire into just how I was going to express myself in the

votes which will soon be taken. I recall back in 1927, on February 14, I had the privilege of moving a resolution in this house as follows:

That, in the opinion of this house, no government should have the right to ask for a dissolution of parliament prior to completing the five-year term as provided in the British North America Act except when authorized to do so by a majority vote of the house.

I still hold that view to-day as I did then, that it should be incumbent upon a government to fulfil its full tenure of office of five years when elected by the people and sent here to do so. I do not share the view that we should immediately, on the smallest pretext arising, seek to oust the government from office and call for a general election. It is true that there might be a change on the treasury benches, but it would be a change of personnel rather than a change of conditions in the country, it would seem to me. If we were to change the Conservative administration to a Liberal administration, granting that such a change might take place—I am not assured that it will—but even though it should, I would not conclude that that change of itself would remedy conditions as they exist in the country. I made it my business before coming down here to inquire of different citizens as to what their viewpoint was in regard to a prospective general election this year, and I did not hear one person, not one, either Liberal or Conservative or of any other political stripe, say that we should have a general election this year. So far as the persons whom I interviewed are concerned, it seemed to be their opinion that elections at best are disturbing and expensive, expensive to the country and expensive to the individuals who run their own elections; and of course there is unsettlement so far as business interests throughout the country are concerned. That being the opinion expressed by some of my electors, and having my own personal opinion, I feel that the government should run the full five years. Having no political axe to grind I feel that so far as my individual support is concerned, it is up to the government to carry on. If I were to support the subamendment as proposed, it would mean that I would be asking the government to quit immediately and the official opposition to get out of the way so that the representatives in this corner of the house could be given a chance to carry on. That is what I would be saying, but I do not propose so to say.

Mr. BOURASSA: They are not yet prepared for office.

[Mr. Carmichael.]

Mr. CARMICHAEL: If I were to support the amendment to the main motion, in effect I would be saying that the government should get out of the way immediately and give the official opposition in its great zeal to save the country a chance to do so. I do not feel like saying even that. I still feel that the government is strong enough to carry on for the balance of 1934 and for that portion of 1935 which would be coming to them within their five year tenure of office.

While general conditions in the country may not be quite as bad as the leader of the opposition propounded to us in his four-hour and twenty-three minute speech on Monday, while they may not be quite as good as the Prime Minister (Mr. Bennett) outlined to us in his almost four hour effort in reply to the leader of the opposition, I do know that in my own constituency conditions are not good. Indeed they are very bad. In the rural municipality of Kindersley, a small local unit of administration, during the winter of 1933-1934 there are approximately one hundred families on relief and it is estimated that the total cost up to April 1 will be $10,000.

Mr. BOURASSA: What is the population?

Mr. CARMICHAEL: Approximately 1,500 in a nine-township unit. In the eleven or twelve-township unit of Newcombe, with a population of around 1,800, there are 188 families on relief. The secretary has advised me that the estimated cost for the 1933-34 winter up to April 1 next is $20,000. Other rural municipalities in my constituency are in practically a similar position. The town in which I reside is similarly placed with a number of families on relief. I want to assure the hon. member for Lanark (Mr. Thompson), who spoke this afternoon, that this is not because of the particular stripe of government in our province or governmental extravagances; I can assure the hon. member for Acadia (Mr. Gardiner) that it is not because of the economic system under which we are labouring; the conditions which we are now facing are caused by what I think would be called in legal phraseology, an act of God. We have had an absence of rain, we have had hot winds which scorched and blistered and blasted the crops. In many cases, what little did come through in spite of the drought was eaten up by the grasshoppers. As a result, in my own immediate vicinity the yields of wheat ran two, three and four bushels to the acre, and this only with raking and scraping and scratching. With the low price of wheat, hon. members will realize how much the farmer

had to his credit after he paid his threshing expenses. There was practically no feed in the district, hay and oats being shipped in to be purchased by the farmers under the relief scheme. This is the condition in my territory and I know it is even worse in many other parts of Saskatchewan. I had the privilege of driving over a large part of the province during the past summer and through the southern part you could find no feed, no stacks and practically nothing growing green for miles and miles except Russian thistles.

I notice the speech from the throne makes this statement:

You will be invited to consider legislation for the establishment of a central bank.

I heartily favour the intention of the government to establish a central bank in Canada. Page 98 of the report of the royal commission which was appointed to inquire into banking and currency contains some suggestions as to certain main features of the constitution of a central bank for Canada. Section 4 states that the bank should have the sole right of note issue. I trust that in the legislation to be brought forward this feature will be adhered to. So far as my own opinion goes, I would prefer to see this central bank modelled after the Commonwealth Bank of Australia. Upon two occasions I have spoken in this house with regard to the Commonwealth Bank of Australia and I recommend to the members of the government a careful study of the set-up of that bank. It has had a successful operation for a period of over twenty years with each year showing increasing profits which have accrued to the state. It is distinctly a government owned and controlled bank and has the sole right of note issue in the commonwealth of Australia.

Last year we had in London what was termed an economic conference. It was internationally agreed at that conference that the metallic coverage of gold could be reduced from forty to twenty-five per cent without any country being considered as being off the so-called gold standard. I remember hearing a member of the government speaking over the radio, I believe it was the Prime Minister, make mention of that fact and state that if Canada took advantage of that provision we could issue an additional $100,000,000 of dominion notes and still be on the gold basis.

The speech from the throne also contains the following statement:

My government propose further to promote employment by expenditures on essential public works and undertakings throughout the dominion.

I should like to see these two statements linked up. I hope the government of the day will take it upon themselves to establish a central bank and give it the sole right of note issue and then put into circulation such a quantity of additional dominion notes as will take care of essential public undertakings. In so doing there would be no toll levied on the money put into circulation. We all remember that when the $35,000,000 was circulated—I believe it was less than two years ago—there was a toll of one per cent for two years exacted from the people of Canada by the private banking interests to pay them for putting that money into circulation. That was what it amounted to. There was the cost of the note issue, but the profit was one per cent on $35,000,000 for a two-year period, or $700,000, which went to the private banks for the expense of printing those notes. If that is done by our central bank, the money being circulated through that organization, which we hope will be established, there should be no such toll levied. The money could be put into circulation by paying the people who took part in public undertakings such as public buildings, bridges, highways, such as the completion of the trans-Canada highway, the deepening of the St. Lawrence, which has been talked of for some years, and the Peace River outlet, which has also been discussed in this chamber for some time. Such public undertakings could very well be carried out and paid for without the taxpayers having to raise any additional money by means of taxation. When such time comes, I assure the government and in particular the Minister of Public Works, so far as my own section of the province is concerned, I am going to be very bold in asking for some public works which will take care of the unfortunate situation as it exists in central western Saskatchewan and which will give employment to some of the people who are so very much in need of money. It will also tend to relieve the situation that now prevails in that part of the province.

Mr. F. H. PICKEL (Brome-Missisquoi): In the first place, may I congratulate the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address in reply to the speech from the throne.

During the last session of this house the committee on agriculture was authorized to hold an investigation into the milk situation then existing between the producers and the distributors. Much evidence was adduced relating to the pernicious and oppressive methods adopted by the distributors in several of the large consuming centres of the do-

minion, and a report based on that evidence, of a highly condemnatory and scandalous nature, against the distributors was found and duly filed. I presume that as regards any real benefit that has resulted so far, from that investigation, the report has probably been systematically pigeon-holed, and forgotten in conformity with the usual procedure with respect to the findings of commissions. The evidence brought out by that investigation conclusively disclosed that the producer was being unfairly dealt with and exploited by the distributor, and further revealed the fact that the present system was simply creating a few millionaires in the city and driving thousands of farmers into a state of penury. This unholy and damnable condition of the farmer is being encouraged and maintained by our provincial and municipal authorities. They seem to treat the producer with contempt, while the distributor is fawningly looked upon as a representative of the big interests. It is perfectly useless to apply to these bodies for relief; it has been tried many times without avail: the distributors control the situation entirely.

On behalf of the dairy farmers I wish to express our thanks to the house for its courteous concession in granting a committee to hold that investigation. After persistent inquiry on the part of the committee, and much side stepping and mystical evasion on the part of the distributors, many startling facts were brought to light. And then the half has not been told. I am not going to take up the time of the house relating all the difficulties that the producers run up against, but I want to cite two facts that have come to my attention since the investigation was held.

In the first place, I am informed by reliable people that between the first of September and the first of May there is practically no surplus whatever in at least one large plant in Montreal; in fact, there is a shortage, a shortage so acute that the plant has to resort to the manufacture of synthetic milk to supply the deficiency. This milk is manufactured from milk powder. Furthermore, I am informed that in this same plant milk brought in by producers is often emptied into the receiving tanks for pasteurization and distribution. The farmer's can is then refilled with separated milk, buttermilk or this synthetic milk, a colouring substance being added to denote that the milk is unfit for human consumption, and it is returned, the farmer being compelled to pay transportation charges both ways, in addition to losing the entire value of his own milk.

[Mr. Pickel.]

I was under the impression that copies of the evidence and of the report were transmitted to each province with the request that they take action with respect to this unfair practice. How far that request has been implemented in the different provinces I am just at present unable to say, but in the province of Quebec the government has appointed a milk commission, a body shorn of all power or authority, except as a matter of course the ability to draw down a good salary. They have been offering the farmer unnecessary advice, for instance in regard to keeping a better herd sire, improving his pasture, reducing the cost of production, making two blades of grass grow where one grew before and similar information of which the farmer was already well aware.

There were two ways in which they might have been of greater assistance to the producer. The first is this: in the month of May last the distributors offered $1.20 per 100 pounds for association milk. The producers did not see fit to accept that price. A conference was arranged, and after deliberation the distributors increased their offer to $1.35 for association milk. For the benefit of any hon. members who do not understand what association milk is, I may say it is the milk received from the farmer that is distributed and sold by the plant in quarts or gallons from house to house. The excess above this portion so distributed is called surplus milk, for which a much smaller price is paid, and it is the fluctuation in the quantity and the price of this surplus milk that plays such havoc with the farmer. After this offer of $1.35 had been accepted by the farmers, the usual result followed; the distributors simply increased the fictitious, so-called surplus quantity and the farmers received even less than they had been getting before the increase in price. I have in my room many statements by farmers, and I can get bushels of them throughout the country, but I am going to read only one or two in order to give the house an idea of what the farmers are receiving for milk.

I have in my hand a statement from a farmer who is shipping milk from West Shefford, Quebec. In the month up to June 15, he shipped 4,874 pounds of milk, for which he received $1.35 per hundred pounds for 3,800 pounds, and seventy cents per hundred pounds for 1,074 pounds. That netted that farmer just forty-five cents per hundred pounds or one and one-eighth cents a quart. In another instance a farmer shipped 8,420 pounds of milk. He received $1.35 per hundred pounds

for 2,500 pounds and for 5,920 pounds he received seventy cents per pound, netting him 45 cents per hundred pounds with transportation out, or one and one-eighth cents a quart. Those are fair samples of the way in which the farmers are being treated as regards their surplus milk.

Later on in the summer the distributors, not content with exploiting the farmer right up to the hilt, turned their tender attention toward extracting a few extra shekels from their consumers. The distributors get it both ways, coming and going. It is a great game; there is no other equal to it, with the same opportunity of displaying spurious generosity at someone else's expense. They first advertised amongst their consumers the fact that the farmer was hard up. That was no idle dream; the farmers are at the breaking point. The distributors spread propaganda amongst their consumers that on account of the dry season the pastures were short, grain was high and out of their great exuberance of friendship and brotherly love to the farmer, notwithstanding the fact that there is never anything but strife between them, much as they were reluctant to do so, they felt it their bounden duty to increase the price of milk one cent per quart or about forty cents per hundred pounds to help the poor farmer out. This was in the month of August. In this way they put the onus upon the farmer for this increased price, although the fact of the matter was that the farmer knew nothing about it and had asked for no special concessions from the distributors at the time, being in no way a party to this gesture supposedly in his behalf. When I first heard of this proposal I was amazed, but withal pleased as I thought perhaps the distributors had really undergone a change of heart and were going to try in a measure to work for the general advantage and atone for the injustices they had inflicted upon the farmer for many years. I could not quite get it out of my mind that there was a nigger in the fence, and this is how the scheme worked out: the price of milk was raised forty cents per hundred pounds; the distributor allotted fifteen cents of that to the farmer, and, according to his usual custom, kept twenty-five cents for himself. This is simply another example of the spurious generosity and double dealing of the distributor.

The milk commission of the province of Quebec could have rendered valuable service had they been so inclined. I noticed in the press during the latter part of the summer and in the fall several reports of the activities of the Hon. Mr. Godbout, Minister of Agriculture for Quebec. He made this statement on several occasions, but in one speech in particular, delivered in the county of Jacques Cartier just prior to the last election, speaking amongst other things of his paralyzed and incompetent milk commission, he said that at the next session of the legislature legislation would be introduced to deal with the milk situation, for instance, to give authority to set the price of milk so that the producer would receive an equal share of the customer's dollar. That is just what the farmer is looking for and what he is eventually going to have. It might just as well be done at once as later on. The farmer is entitled to a fifty-fifty division in the price at which his milk is sold. He will never be satisfied with $1.30, $1.40 or $1.50; he wants a percentage basis. When that is established no more will be heard of lost bottles which in the investigation were shown to range between $7,000 and $18,000 per plant per year, which the farmer unjustly pays for. No more will be heard of the abuse of price cutting indulged in by chain stores as an advertising expedient. No more will be heard of duplication of services and special services for which the farmer is called upon to pay.

Mr. Godbout further stated that the farmer must reduce his cost of production, and which, according to him, should not exceed 45 or 50 cents per hundred pounds. During the investigation we went into that point very thoroughly and established in the first place a cost of production of milk on the evidence of two gentlemen, Father Labelle and Professor Toupin, of Oka, who had made an intensive study of the question. On their evidence the cost of production of milk per hundred pounds was shown to be about $1.50; and that estimate included only the cost of labour, feed and care. But we had Professor Reynolds from the Ontario Agricultural College, Mr. Merriot, Mr. Fletcher, and Mr. Hughes, representing the different producers' associations in Ontario. They had made a particular study of the question, and they estimated the cost up to $2.50 per hundred pounds. In their figure they took into account overhead, interest on the investment of the farmer, taxes, and insurance. Yet Mr. Godbout proposes that the farmer produce milk at 45 to 50 cents! With all due respect to the hon. gentleman's opinion, I contend that is absolutely unreasonable and impossible.

I am not going to say any more about milk. I understand that in Ontario at the present time the government are proposing to stabilize the price of milk. If the province of Quebec will endow their milk commission with some power, and the commission will use that power for the benefit of the producer, I think it will

do some good. At any rate if the provinces do not act with expedition in this matter I would earnestly ask the federal government to assume or acquire the necessary jurisdiction to terminate for all time this perpetual cause of contention between the producer and the consumer.

There are other things that the farmer produces besides milk, and he is suffering just as much in connection with those different articles as he is in connection with milk, and is being imposed upon just as badly. How often we hear the favourite expression of candidates in rural constituencies, that agriculture is the basic industry of the country. It is heard oftener, of course, in rural sections than in urban centres. We hear it chiefly during election campaigns by the candidate and his followers, who meet the farmer like a long lost brother and gabble about the importance of agriculture, which in most cases, to the gabbler at least, is just so much hot air, a mere play of words, meaningless drivel. They tell the farmer that the country cannot get along without him. That is true, but the farmer has never been ingenious enough to capitalize upon that fact. The farmer is a peculiar being; he is by nature and temperament an individualist, and this innate peculiarity is largely responsible for his undoing. One of the chief characteristics of farmers as a class is disunion in their own ranks. This inbred disposition of the farmer is taken advantage of by the packer, the middleman and the commission man, in their finished and devastating technique for exploiting the farmer, whose industry is being constricted, compressed and strangled; graded, regraded, degraded and finally crucified by adverse government regulations and restrictive acts unfairly administered by the commission houses, contrary to the spirit of the framers of those acts and regulations.

Now sir, let us consider our home market for a moment and view its inner workings as controlled—improperly controlled—by the middlemen; perhaps I am within my rights in saying illegally controlled. Yet that may not be quite right, because they are bolstered up by different restrictive acts that have been in existence for many years. This did not develop in a day; it has been going on for a long time; the farmer has been ignored for years. His interests have not been looked after by one party any more than the other. This is not a party question; it transcends parties, but it means the life or death of the biggest and best class of citizens in the country. I do not wish to imply that this special legislation was enacted with an ulterior motive against the farmer. I fully concede that these acts were probably decreed with the best intentions and presumably in the interests of the farmers, but the middleman has become a past master in their artful interpretation and administration. He has had a free course, a golden opportunity, and he has made the most of it. The temptation was alluring; there were no obstacles in his way, and he simply took advantage of the situation. It would be very interesting if we could get the full history of the framework of these different restrictive acts. I never heard that a farmer-producer was ever consulted in reference thereto; I have always associated their evolution with the combined efforts of technicians and heads of departments, at the request of shrewd middlemen. They have been enacted and put upon our statute books without in any way consulting the producers.

Our home market should be the best in the world, because we consume ninety-eight per cent of all our farm products at home, with the exception of wheat and cheese. But it is right here in our own home market that the farmer has been exploited and robbed; he is being robbed to-day right on his own doorstep by the distributors. To-day in the cities, sir, you will find the cold storage warehouses bulging with farm produce, though they are not bulging quite so much as they were because the produce has been unloaded to the public by degrees since the farmers stopped producing. These goods were bought up at very low prices, in many cases for less than the cost of production, and the prices were arbitrarily fixed by the commission men. To-day they are being sold at huge profits in order to create millions for a few in the cities. Why should these huge profits redound to the middlemen alone? Some adjustment is in order, and it should be made without delay. If conditions are not remedied at once in the country our rural life is doomed.

Industry of all kinds is picking up, with the single exception of agriculture. The government does not seem to realize that the farmers constitute the biggest and best class in this country, and that if they are prosperous it will have a marked effect upon all other classes. The government does not realize that the farmers are the biggest purchasers of any class in this country. Every day the farmer has to buy goods. He has to purchase the same articles that are purchased by the ordinary citizen as well as a long list of expensive articles which are necessary in the pursuit of his calling. He has to buy wire, nails, roofing, cement, lumber and a long list of expensive agricultural implements and machinery such as cream separators, expensive

stablefittings, and so on. And it must be remembered that these expensive articles must be replaced every so often; they detriorate very rapidly. The government forgets that the farmers are perhaps the largest class of employers in this country. If the farmers were receiving adequate remuneration for their labour and goods to-day they could absorb from half to three-quarters of the unemployment which is so rife in the country and about which all governments are very much concerned.

There are one or two things which I think our legislators have forgotten or overlooked for a long time. Perhaps it may be because of the natural modesty of the farmer or perhaps it may be due to the fact that he is patient and long suffering that he is not continually, in and out of season, harrassing the government of the day by adopting the same peremptory tone, tactful schemes and issuing the same dire ultimatums that have characterized one section of our agriculturists. We in the east have made the best of a bad job; we have kept on paying the demands of the west. The fact of the matter, Mr. Speaker, is that the government does not know just how to help the farmer. Our legislators are not familiar with the difficulties and grievances under which the farmer is labouring; consequently they do not know how to give him relief. It is high time they looked into the matter and gave the farmers the assistance necessary to enable them to market their goods. The mere assertion that agriculture is the basic industry of the country and therefore should be encouraged and assisted, which we always expect and hear in speeches from the throne, both provincial and federal, will not help the farmer one iota unless it is implemented by sane and useful action.

Here is the position of the farmer to-day, Mr. Speaker, in a nutshell. He does not ask for a dole or a bonus; neither does he ask that the price to the consumer be boosted. What he asks for is his just share of what his goods sell for. His great and insurmountable difficulty is the distribution of his own goods in his own market. I mentioned the goods that are in the cold storage warehouses at the present time, and which were purchased at very low prices which were arbitrarily fixed by the middlemen. In the city of Montreal five men meet every Tuesday; they say, "We will pay so much for butter this week", and that settles it. During the producing season of the farmers, in the late spring and summer, the prices are depressed and they remain depressed just as long as the producing season lasts; but after he has finished producing and has no more to sell, up goes the price. It is simply manipulated by the middlemen. It does not seem reasonable that the farmers should be subjected to a thing of that kind. This recession of price in the spring and summer during the producing season, and later the augmentation of price in the autumn and winter by as much as one hundred or one hundred and fifty per cent, occur almost with clock-like regularity, and as I say, this price fluctuation is simply the result of price manipulation by the middlemen. I trust that the house will appreciate the perplexity with which the farmer is aimlessly and hopelessly drifting, and the necessity of our getting together and trying to do something for his relief. I sometimes think that legislators never stop to give the farmer a thought. If a commission had been appointed for the purpose of producing a plan for putting the farmer out of business quickly, I do not see how they could have improved upon the system that is in use to-day for accomplishing that object; for it is a fact that the farmer is being driven off the farm. Both these men whose statements I have read are no longer farmers; they have been driven out of farming.

Do our legislators ever pause and wonder why so few dairy farmers are paying income tax? Do they not think that the dairy farmer would be glad to be in a position to contribute to the revenue from this impost? Certainly, sir, the dairy farmers would be only too glad to be in a position to pay income tax. It is amazing that hon. members do not pause to inquire why it is that the dairy farmers, with individual investments ranging from five to fifty thousand dollars in plants, should not be in a position to pay income tax. While the farmer may not be paying income tax directly—I do not know of any farmer in my section who does, and I think it is a crime—nevertheless I firmly believe that the farmers are the biggest contributors to the income tax revenues of any class in this country, but they contribute the tax indirectly and the other fellows get the credit.

Mr. SPEAKER: The hon. gentleman's forty minutes has expired.

Mr. PICKEL: Just one more remark, with your permission, Mr. Speaker. The farmer by these restrictive and grading acts is compelled to sell his goods at such a low price that it is the consumers and the distributors who pay the income tax and get the credit therefor, but the farmer contributes it indirectly.

Mr. J. A. BRADETTE (North Temiskaming): Mr. Speaker, in extending my sincere felicitations to the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address in reply to the speech from the throne, may I say that in listening to their speeches I was impressed, as I am sure all hon. members were, by the diversity of the problems that we have to face in a country with such an immense area as Canada. The mover of the resolution spoke of the problems of the eastern townships, and was followed by the seconder, residing nearly three thousand miles away on the Pacific slope. Sometimes as representatives in this House of Commons we are criticized because of the long drawn out sessions. The first time I was in this house I asked myself why a session should be long, but it did not take me very long to realize that the main reason was that with 245 constituencies spread over such a great expanse of territory, with different conditions and varying problems in each, it was necessary for the members who had been honoured by the representation of a riding in this house to put before it the problems of his own region, because the prosperity or otherwise of any one section is bound to have its effect upon the country as a whole. That is the reason, sir, why I am perfectly at ease as I proceed to present some of the problems pertaining to our section of the country, more particularly those of northern Ontario.

The first problem with which I wish to deal is that of the railways. I listened very attentively to the splendid speeches of both the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King), and I read them afterwards in Hansard. The Prime Minister in his speech made a statement which certainly will not be very favourably received in the northern sections of Ontario and Quebec when he criticized very severely what he called the lack of vision of Sir Wilfrid Laurier and of the people responsible for the construction of the transcontinental section of the national railway system of Canada as we have it to-day. He also made mention of the fact that we have in this country a population of 10,000,000 or thereabouts. Surely the Prime Minister should realize that the construction of that railway through the northern part of Ontario and Quebec is responsible for maintaining at least hundreds of thousands of people in that section of Canada. Let the right hon. gentleman try to visualize the condition of industrial centres like Toronto and Montreal without the population of northern Ontario and Quebec, who are their best customers. The same thing applies as forcibly to the wheat growers of the three western provinces, and indeed to the whole of Canada. No doubt there was over-optimism, but no government could have foreseen what the railways would have to contend with in the future. No one could have foreseen the great development of the automobile industry and the competition of the motor truck and the autobus with our railways. I have in mind a statement made by Henry Ford a few years ago that it would soon be found that the countries which were the least railroaded would be the best off. But in this country, on account of our long distances and our climatic and geographical conditions, sheer necessity compels us to maintain our railroads and their identity; and they were a necessity for its development and expansion.

I listened with a great deal of interest to that part of the speech from the throne in which His Excellency says:

> Since I have been associated with you as the representative of His Majesty in Canada, I have visited every province of the dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

It was with a great deal of pleasure that during last summer we had the honour of a visit in northern Ontario and Quebec from the representative of the king. It is true that for some reason which I know was absolutely unpremeditated, some of the larger centres of population were not visited. I have in mind particularly that wonderful new industrial centre of Kapuskasing, located on the Canadian National railway, and my hope is that if in the future we are honoured with visits from representatives of the crown they will find it possible to visit that fine centre of population. But the visit of His Excellency the Governor General would of course have been impossible without the opening up of that newer section of the country. What does it mean, the opening up of all this new territory in the Cochrane district, the Red Lake district, the Hearst district, the Amos and Rouyn districts and innumerable other sections which are traversed by the transcontinental railway running from Quebec to Winnipeg? All this was due to the building of the National Transcontinental railway from Quebec to Winnipeg. The spirit of optimism has always existed in the province of Ontario. When the provincial government contemplated building a railroad from North Bay northwestward to Cobalt, it is true there were people who doubted the wisdom of building

such a road, but that capital expenditure has since been found to be fully warranted. Later on that ribbon of steel was pushed forward to Cochrane. Only two summers ago we had the wonderful spectacle of the opening up of the railroad from Cochrane to tidewater at Moosonee. Although that investment is not earning interest and amortizement, the province of Ontario is satisfied with the investment. It has proved to be one of the main sources of expansion, progress and prosperity in the whole province, and it has benefited the whole of Canada. Before the Prime Minister (Mr. Bennett) makes any more statements of that nature I hope he will find it possible to study the situation very thoroughly.

Take our own case in northern Ontario. We receive no direct benefit from the canalization of our waterways, but we feel that as long as it is beneficial to some sections of Canada, it has also an indirect beneficial effect upon our own section. The money invested in the canalization of our waterways is approximately $400,000,000. With an interest rate of four per cent per annum, this represents $16,000,000 per year. For the expense of upkeep there is expended annually about $3,000,000. The government does not receive one single cent in return, but there has not been a single word of criticism uttered in any section of Canada with regard to that expenditure. The government has seen fit to enter into a treaty with the United States to provide for the development of the St. Lawrence waterway. Without trying to prophesy, I have no doubt that that waterway will cost hundreds of millions of dollars when it is eventually carried out. I ask the Prime Minister to take this into consideration when considering these matters.

When discussing a matter of such importance as our railroads, every hon. member should consider the benefit derived therefrom by every section of the country. It is quite true that we have not received the attention we deserve in the exploitation of the National Transcontinental. It is true also that there are discriminatory rates from Winnipeg to Quebec which prevent any through traffic in freight or passengers on that section of the road. We made several appeals to the old railway board but we were unable to obtain justice. When the National Transcontinental section of the present government railway system was built, it was never intended for local traffic; it was intended primarily for through traffic, but because of the development of our natural resources, because of our riches in forests, waterpower, mines and agriculture, it is now found that this section is not only self-supporting but is one of the best-paying sections of the whole nationally owned railway system. I hope that my own section of the country as well as the northern section of the province of Quebec will again present their case to the new railway board. We are confident that justice will be given to that particular section of the government railway system, and we believe that that faith will not be shattered.

I shall now deal with another matter which, although regional in its nature, has had its effect upon the rest of the country. I refer to the strike of the bushmen and settlers which took place last fall and is still continuing in certain sections of northern Ontario. It may seem strange to many hon. members that settlers working at lumbering operations have found it necessary to strike, but such is the case. No doubt hon. members have read the particulars of this strike which appeared in the newspapers. It lasted for weeks in the northern section of Ontario and spread past the Quebec border . I do not think it is for me to discuss the wisdom of the leadership of those men. As far as I am personally concerned, I have no love for some of the leaders, and the premier of the province of Quebec has shown that he has no patience with them. But there is no doubt in my mind that the bushmen and the settlers were suffering a great injustice in Ontario, and this applies equally to the province of Quebec. Although some of the leaders may have been radical, I think they deserve credit for the manner in which the strike was conducted and the results which were obtained. They found the men were not receiving justice and they formed an organization whereby the bushmen could air their views and have their grievances considered by the proper authorities. I know for a positive fact that there are members on the other side of the chamber who are still in their constituencies only because of the fact that some lumbermen are still on strike.

Before I proceed further with the matter, I should like to say a few words of praise for the attitude of most of the strike leaders and the officials of such centres as Kapuskasing, Cochrane, Ansonville, Hearst and others. A strange situation existed as far as Ansonville and Cochrane were concerned. The industries themselves were located quite a distance from these centres of population. What I have to say applies more particularly to Smooth Rock Falls and Iroquois Falls. These strikers were sheltered and fed by the towns of Ansonville and Cochrane. It is to the credit of the strike leaders that

they always appealed for peacefulness among the strikers. The strikers behaved themselves and therefore received the support of all sections of the population. The national and international unions came to their rescue in order that the strike could be carried on, going as far as giving a part of their weekly wages. The first company which found it possible to settle with the men was the Spruce Falls company of Kapuskasing, and I think great credit is due to Mr. Noble, the general manager of the mill. But a different situation existed in the other industrial centres of Smooth Rock Falls and Iroquois Falls because of the fact that the company was in receivership. It was almost impossible for the strikers' committee to obtain access to the officials of the company, but I think it is to the credit of the officials of the receivership that they tried their utmost to meet the strikers.

In order that the house may be seized of the situation, I intend to cite some of the demands made by the strikers, most of which have been acceded to by the companies. There was practically no complaint as to food. Complaints were made with regard to the sanitary conditions in some of the camps, but I believe these conditions have been remedied. Under the provincial legislation there is sufficient machinery to meet this situation. Another demand was for a monthly wage of $35 for twenty-six working days, plus board. The strikers were forced to compromise on this item. As everyone familiar with lumbering operations will understand, it is absolutely impossible to strike a flat rate of wages. Upon several occasions I spoke to the strikers and urged them to accept a schedule of wages whereby the inexperienced men would receive $26 per month, with the wages graduating to a maximum of $35. If my understanding is correct, an agreement satisfactory to everyone concerned has been arrived at.

The strikers asked for the recognition of camp committees composed of workers in the camps, and the right to hold meetings in the camps. Familiar as I am with all the conditions in the district, I know for a positive fact that an effort is being made to promote cooperation between the workmen and the company, and I was told only a few days ago by an official of one of the large mills in northern Ontario that the agreement was working to the entire satisfaction of everyone.

I will not discuss all the demands that have been made but, only a few of them. Demand No. 9, the men are asking that the wood be scaled twice a month and receipt given. This demand is quite legitimate. I know of one man who had cut an average of ninety logs a day and when he received his scaling receipt at the end of the month his average was very considerably reduced. Obviously this is not satisfactory to the workman, and the situation must be remedied; scaling will have to be carried out in accordance with the requests made by the strikers.

The settlers, I may point out to the house, also took part in that strike, and some credit would seem to be due so far as the leaders of the bushmen's organization are concerned. Lumbering operations are extremely seasonal. Perhaps ninety per cent of the axemen and bushmen are farmers by calling. They spend only a few months, in fact the winter months, in lumbering, returning in the spring to their farming; at any rate, that is true of the majority of them. That fact alone will indicate how difficult it is to maintain a labour organization. However, the nucleus of a permanent organization has been established, which it is hoped will be maintained indefinitely.

The farmers also have their grievances, let us remember. In some instances there was violence, cars having been unloaded, loads upset, and so forth, but the settlers have cause for complaint, and they have formulated their complaints for submission to the company. In the first place, the settlers are asking, for four-foot pulpwood, $5 per cord, of which they suggest that $1.85 be paid in advance. It is not unreasonable that they should be given $5 per cord. Speaking to an Ontario minister last summer, I said that if the provincial government could find it possible to pay the settlers $5 per cord for the pulpwood they cut —that is, $5 at the siding during the coming winter the provincial government would have to spend practically nothing in direct relief. But what has happened? It is true that one corporation, before the snow came, and owing to the shortage of pulpwood, paid $5 a cord for a few weeks, and practically every settler along the Transcontinental, from Kapuskasing to Hearst, hauled pulpwood on the bare ground and found it remunerative; but the moment the snow came—and the snowfall there was premature, as it was in other sections—the company reduced their payment to $3.50. Now, everyone who knows anything about lumbering operations and the cutting of pulpwood will agree that the farmers cannot possibly make both ends meet if they are to receive only $3.50 for their pulpwood. At present some companies are paying $4, but I insist that unless a minimum of $5 is paid, it is absolutely impossible for the farmers to get along. It is no wonder the

provincial government finds it necessary to keep up an expensive system of direct relief. The farmers are not being given an adequate remuneration for the pulpwood they are cutting under such difficult conditions.

It was with a good deal of interest that I heard the Prime Minister declare, the day before yesterday, that the pulp and paper industry is one of the greatest industries in Canada. We know how much capital is invested in that industry, and we know the amount of employment it gives to tens of thousands of Canadians. Lumbering operations, as I have already pointed out, are extremely seasonal, and in our section of the province—and this applies to the province of Quebec as well—these operations enable the farmers to balance their budget; it is an occupation from which they can add to their income. But we must remember that one of the best ways to bring prosperity to Canada is to give a fair remuneration to all workmen. The Prime Minister, when he returned from the world economic conference last summer, said that he was in favour of increased commodity prices. I would point out to him that this is not enough; along with increased prices there must be an increase in wages, and if wages are not increased to keep up with prices there will be no prosperity in this country, at any rate not for some time to come. Just imagine the father of a family, getting $26 a month, and trying to keep that family, body and soul together, when he has to pay let us say $20 a month in rent. And in that northern climate fuel is an expensive item. I repeat, it will help matters considerably, and I hope that in every section of the country this will be realized, particularly in Toronto, if the government can find it possible to allow a minimum of $5 per cord to settlers. The settlers are also asking that their wood should be scaled at the time of loading and not at the mill.

There is no reason why the present situation should be tolerated any longer. A few years ago, when we were shipping carloads of pulpwood to the United States as well as to Canadian mills, not a single stick of wood left the siding unless it was scaled. The farmers knew how much wood was in a car and they knew the price that would be paid; they simply awaited the return of the cheque. Under the present practice in regard to scaling the farmers do not know what they are going to receive, and they have every reason to protest and to maintain the strike until this grievance is removed. I know of settlers who have loaded a car containing sixteen cords of pulpwood, and anywhere from two weeks to a month afterwards they have received a scale of twelve or thirteen cords, losing sometimes as high as four cords to the car. Everyone will realize, from the facts as I have indicated them, just how unfair the system is. If it is true that occasionally settlers may have loaded bad wood on the cars, there is a method of remedying such a condition, but every stick of wood that is being shipped should be scaled at the siding. This is a matter of which both departments of labour, provincial and federal, should be fully seized.

I think we should be able to learn some lessons and draw some useful conclusions from this strike. As representative of that district in this house I find myself in a peculiar position. Before leaving for the north country I had a conversation with the federal Minister of Labour, who promised to give all the help he could, and of whose sympathetic attitude to the settlers and strikers I had no doubt. But the moment I was among the strikers, the moment I endeavoured to act as intermediary between the company and the men, I found myself in a strange position. I found, for example, that there were two authorities each of which had a certain extent of jurisdiction. In several instances I found if not conflict at least overlapping between the two authorities. For example, there is an Ontario statute, the Disputes Act, which provides quite clearly that in the time of a strike the mayor of any town or municipality may be sent by the provincial government as an official to try to solve the difficulty But, as I stated previously, we are in a singular position so far as Cochrane and Rouyn are concerned. Many strikers were residing within the limits of those towns and they were being sheltered and fed by those municipalities. We were not directly interested; I mean by that that the industry was not located within the borders of those municipalities. There is certainly overlapping of authority between the provincial and the federal Labour departments. I know the federal Minister of Labour must have found himself handicapped by some of the statutes of Ontario and that conflict of authority does not permit the settlement of strikes as quickly as should be the case. This is quite comprehensible. I cited my personal case and I believe the federal department was in the same position as I was; they did not dare to interfere in the matter until such time as the provincial authorities had found it impossible to work out a solution of the difficulty. I mention this so that the house may know that certain anomalies exist in our statutes. The provincial legislation is

a fine piece of machinery so far as the settlement of a strike is concerned, but in times of strikes our Labour departments, both provincial and federal, should give a lead to the officers of the company involved and the strikers. The federal department sent some well qualified officials to the different regions and some good came of their efforts, but I suppose some of them found themselves in the same position as I was; in certain sections they did not dare to make a move because they were treading on provincial ground.

I want to state also that no wood should be loaded on cars unless it is properly scaled; if that were seen to, the present anomaly would disappear. In connection with lumbering operations in our section there is one great curse, if I may use the term, and I believe it applies to the whole of Canada: we have what is called the subcontracting system. For instance, a great corporation like the Abitibi Pulp and Paper Company will let their contracts early in the fall, amounting to hundreds of thousands of dollars. Those contracts are given to three or four men, but I know of several cases where they were sublet to a second, third and fourth man, and all the time profits were being taken away from the workingmen. I do not know whether the federal government has any authority in this matter, but this anomaly should immediately disappear. There is no reason why a corporation which has been in existence for a number of years and that knows the ability of its contractors should not be in a position to give contracts to men who are able to carry out the contracts. I know, however, of a number of cases where the contracts have been sublet to a fourth man. I leave it to hon. members to consider what the last man was making on those contracts and how hard the men had to work to make a bare living. Last fall, speaking in my home to one of the subcontractors, I asked him what he thought of his particular contract and whether he expected to make some money. He said: "I have the best stand of timber in the north country, but I will make money only because wages are low." There is something wrong when that is the situation.

As regards lumbering operations I should like to mention the work that some of the men are compelled to do, work that should be done by horses. We have in this country societies for the protection of horses, dogs and cats, but in northern Ontario we have no protection for the health of our bushmen. I maintain that no man should draw, at his neck, as we say, any logs weighing over 200 or 300 pounds. In our lumbering operations the average length of the pulpwood log is sixteen feet and it is mostly black spruce. Everyone who knows the quality of that timber knows it does not take a very large log to weigh from 100 or 200 to 500 or 800 pounds. Last fall I saw dozens of cases of hernia for which those men had no way of getting compensation under the Workmen's Compensation Act, for the very good reason that hernia is not considered to be in the nature of an accident. Such a situation should no longer exist. A log that weighs less than 200 pounds can easily be handled by the men and there would be no protest from them on that score. But any log that weighs over 200 pounds, particularly one weighing from 500 to 800 pounds should not be touched by any man. Can you imagine men hauling such logs long distances through two to four feet of snow and doing that work all day long? That sort of thing should not be tolerated in a civilized country. Under our highly mechanized industry there should be a way of making it possible to have those logs drawn so that the health of our young men would not be jeopardized. I have seen young men looking the picture of health go into the bush in the fall and come out a few months later mere shadows of themselves and without any chance of getting back to health. There is an anomaly in the fact that a man who on account of doing this work is afflicted with hernia cannot get compensation, even though he is unable to get his strength back. I have known of sad cases that my limited means would not allow me to help. Last fall two men suffering from hernia came to my home and because they had no means, they could not be treated. Any man with medical knowledge knows what this means for the health of these young people. It means that they will never be really healthy as long as they live and their days will certainly be shortened.

As I stated a few moments ago, I have received sympathetic consideration from the federal Department of Labour, and I notice in the house the Minister of Labour (Mr Gordon) who is a colleague of mine, coming from the same district, and who is as familiar as I am with lumbering operations in the north country and also with the anomalies which exist in that section. There is enough legal machinery and, more than that, there is enough humanity in the Canadian people to see that under our modern conditions men should receive better treatment than that given to the ones I have just mentioned; it is worse than the Egyptians must have meted

out to the Israelites in the construction of the pyramids. I speak very feelingly on this matter. I could mention names of officials; I could mention Mr. Stanley Merchant of Smooth Rock Falls and Mr. Schanche of Iroquois Falls who are heart and soul with the working men and also the management that they represent, who do not want to be unfair to them and who want them to be good healthy Canadians. Nevertheless a lead must be given and maintained. A lead was given last fall by the stand of labour unionism, the bushmen's organization in the camps, but it must be maintained by the statutes we pass whether provincially or federally. The men must have a more sympathetic hearing and a lead from the government, whether provincial or federal. After all, the citizens of any country are its greatest wealth. I believe that in Canada we are more fortunate than any other nation in the world, but I have shown to the house the anomalies that exist and they must be remedied. Those bushmen, those settlers, do not want any special favours; all they want is a place in the sun and the right to live properly, decently and comfortably. Within our own limits, in our own section it must be possible for these men to receive the treatment that they deserve.

As far as the management of our great newsprint, sulphite and pulpwood industry is concerned, I have only words of praise. But we are all familiar with the fact that on account of watered stock and over-capitalization of some of these big corporations, on account of the extravagance shown by their heads, men who had no direct contact with their management, injustices have arisen and industrial organizations that ought to have been on a paying basis were on the rocks. If these capitalizations were reduced to their natural and proper level I am satisfied these organizations would become going concerns and it should then be possible to give fair remuneration to the working men who devote their time and their energy and their life to the production of the raw material of that important industry.

I believe that no one would censure me for bringing these matters to the attention of the house. We of northern Ontario and northern Quebec belong, geographically speaking, to central Canada. When we hear in the house about maritime rights we sympathize to some extent with their claims. The same applies to the claims of the western provinces and other sections of the country; and surely the members of this house in general can see the anomalies and the problems that beset us in northern Ontario. We do not want favours; all we want is a place in the Canadian family, a hearing of our injustices and problems, and their fair discussion and solution. We intend to cultivate and maintain the spirit of cooperation so necessary to every section of Canada, and in our own sphere of action to continue in our humble way to try to make better and greater the country in which we live.

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, before directing a few remarks to the speech from the throne I would like to join with hon. members who have preceded me in congratulating the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address in reply. I very much regret to have to admit that I could not understand the speech of the former; it is my misfortune that I do not understand French. I did, however, appreciate the excellent speech made by the hon. member for Fraser Valley (Mr. Barber). I thought it was a moderate and reasonable speech, and I think it was enjoyed by every member of the house.

I would like to draw attention to the amendment to the amendment, moved by the hon. member for Acadia (Mr. Gardiner). According to that amendment the resolution as amended would read as follows:

> We respectfully submit to Your Excellency that Your Excellency's present advisers and official opposition do not possess the confidence of this house or of the country.

I presume that at the close of this debate the house will be asked to pass upon this motion. First the members will be asked to vote as to whether they have confidence in the opposition, and I fear that the motion of the hon. member for Acadia will be supported. Then a vote will probably be taken upon the amendment proposed by my right hon. leader, and that will be defeated. I think it would be very interesting if after that a vote might be taken as to whether the third party has the confidence of the house or the country. Unfortunately the rules of the house I suppose will not permit that. We shall not be permitted to ask this house whether they have confidence in the third party. But we may at least ask the country. Perhaps it is not necessary, however, to ask the country, for already certain parts of it have pronounced their views on that subject. Nova Scotia answered a while ago in quite decided terms. A little while before that election I had a conversation with a very intelligent young Nova Scotian in my own district who had just received a letter from a friend in Nova Scotia. My

neighbour of whom I am speaking is a very strong adherent of the Cooperative Commonwealth Federation, and he told me that this letter he had received from a friend in Nova Scotia conveyed to him the glad news that Nova Scotia was going solidly for the Cooperative Commonwealth Federation at the provincial election. Well, it didn't; in fact Nova Scotia replied in almost needlessly harsh terms to their request for support and confidence. Then British Columbia answered, perhaps a little less emphatically but none the less decidedly; and finally Mackenzie. In Mackenzie constituency probably the ground was as favourable as any that could have been found in western Canada. The candidate was handpicked. In that constituency there were at least two men of excellent reputation who had worked hard to secure the support of their fellow members of the Farmer-Labour party. They were rejected, and a man who was obviously selected by the leaders of the party—

Mr. WOODSWORTH: I am sure the hon. gentleman does not want to mislead this house. The statement that he has made is not correct.

Mr. BUTCHER: I am sure I do not want to hurt the feelings of the hon. gentleman. Perhaps I should not say that, I should say he was introduced to the constituency—

Mr. VALLANCE: Handpicked.

Mr. BUTCHER: —by the son-in-law, I understand, of the hon. gentleman.

Mr. WOODSWORTH: The statement is not correct.

Mr. BUTCHER: I accept the hon. gentleman's statement that it is not correct. But at any rate this gentleman, this handpicked candidate, was rejected by the constituency of Mackenzie; that at least I think will not be denied by the hon. gentleman.

Then I want to read a statement made by the hon. member for Acadia as follows:

As I am limited to forty minutes I have not at my disposal the time, for instance, to give an outline of the program of the United Farmers of Alberta; nor have I at my disposal the time to give an outline of the program of the Labour group and other groups affiliated with the Cooperative Commonwealth Federation. I have not the time to discuss the Cooperative Commonwealth Federation platform, but we have given it to the world; it is open to anyone to know what that program is. The program of these different groups is available to all who desire to know exactly what we are aiming at. And that is something of which the people of Canada have no knowledge, as far as the Liberal party is concerned.

[Mr. Butcher.]

I want definitely to dispute that statement—both statements as a matter of fact. The people of Canada, those who are interested, have very definite knowledge of the platform of the Liberal party. On the other hand they have not equally definite knowledge of the platform of the Cooperative Commonwealth Federation. Why? Because it seems to me that there is a different platform for different provinces. For instance we understand that in some parts of the country the Cooperative Commonwealth Federation stands for the socialization of all natural resources, including land. That was the program of the United Farmers of Alberta some few years ago. I understand that now it is no longer a plank in their platform. Freedom of speech is announced as one of the policies of the Cooperative Commonwealth Federation, yet we are told that in the province of British Columbia it was very definitely stated that there would be discipline of the members of the party as well as restriction of the right of the press to publish anything that was detrimental to the party. So that altogether I think it may truly be said that there are two misstatements—not wilful of course, but two misstatements in the passage I read. In the first place we have not, and the country has not, a definite statement as to the platform of the Cooperative Commonwealth Federation, and it certainly has a definite statement as to the policy of the Liberal party.

Now I want to refer to two short passages in the speech from the throne. The first reads as follows:

My government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture.

This is undoubtedly true; I do not imagine that any person will question it. The prices of agricultural products certainly must be raised before there can be anything approaching prosperity for agriculture. There must be prosperity for agriculture before there can be prosperity for industry. But already there has been an increase in the price level of commodities, other than agricultural products, which is in excess of the increase in the price level of agricultural products. I have here a very excellent little publication published by the Searle Grain Company and called the Farmer's Index, in which it is stated that on December 15, 1933, wheat had a purchasing power of 42 per cent of that which it had in the year 1913-14, but that on January 15, 1934, this purchasing power had increased to 56 per cent of that of 1913-14. It is pointed out that while the price of wheat on January

15, 1934, was 71 per cent of the 1913-14 price, the commodities purchased by the farmer were 25 per cent higher than they were in that year. That means that with any given sum to-day the farmer can purchase only fifty-six per cent of the commodities he could have purchased with that same amount in 1913-14.

I think here we find one reason for a great part of the unemployment that exists to-day. There is no doubt whatever that tens of thousands of farmers throughout the land need implements, farm tools, machinery of all sorts and lumber for building; they need clothing, boots and in fact all kinds of commodities that industry would be very glad indeed to supply. Already reference has been made to this fact, but may I say that in my own constituency during the recess I visited half a dozen or more of those farmers who were regarded as prosperous. I talked over the situation with them, and I found that each of these men needed new machinery that he could not afford to purchase at the present time, as well as a hundred other things around the farm and home. Therefore if the wish expressed in the speech from the throne could be only realized, and the purchasing power of the farmers increased, at once a new impulse would be given to industry.

The question arises as to how it can be done, and here of course is where great differences of opinion will arise. The speech from the throne states:

> You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

No doubt careful consideration will be given any proposal the government may bring forward, but a further question arises. Is there likely to be any substantial increase in the price of wheat so long as we have such a large carry-over? I am convinced in my own mind that our tremendous carry-over of wheat, which has been referred to by several speakers during this debate, is a continual threat to the wheat market, and that threat will not be removed until that surplus has been considerably reduced. I am going to make a suggestion to the government, and I hope that at least it will be considered. It may be thought impractical, but I believe that in time it may be found to be quite the opposite. Notwithstanding the fact that the wheat markets of Europe are so limited, and that some of them appear to be closed entirely, is it not remotely possible that some of those countries would be willing to barter manufactured goods for some of our wheat? I know that the suggestion will not meet with approval on the part of many of our industrial concerns. I know that it may be said, for instance, that Germany and other countries have all the wheat they require, but I believe that practically every European country could take wheat on reciprocal terms. If we would say to some of these countries, "We will barter 25,000,000 bushels of wheat for manufactured products of an equal value," it is just possible that some of our surplus wheat could be disposed of. If our surplus could be reduced by that means I believe that would be the first step towards an increase in price.

There is another paragraph in the speech from the throne to which I should like to direct the greater part of my remarks. In the last paragraph I find these words:

> You will be invited to consider, amongst others, measures relating to the Excise Act, the Companies Act, the Judges Act, and the Elections Act.

In particular I want to refer to those measures that will relate to the Companies Act. I think the time certainly has arrived when the companies acts of the dominion and the provinces as well need overhauling. One must admit, and we cheerfully do admit, that among the thousands of company promotions in the past the vast majority have been absolutely legitimate enterprises, reasonably financed and carefully organized. In most cases such companies have served a good and useful purpose. Doubtless many mergers also have been of a beneficial character. Of such mergers and such companies and their promoters I have no criticism to offer, and the remarks I am about to make certainly do not apply to them. But there have been other promotions and other promoters that certainly do not fall within the foregoing category, but are of an entirely different character. They have not served any useful purpose; on the contrary their operations have been distinctly detrimental to the interests of the public and absolutely disastrous to those individuals who have been induced to invest in the securities offered for sale.

I think most of us will admit that there are many grave weaknesses and many striking injustices in our economic system of to-day. We do not admit that this system should be scrapped; we do not believe it should be scrapped, but we do believe that these weaknesses and injustices should be remedied. I cannot imagine for a moment that even the stoutest apologist for our present economic system will deny the charges I have made, nor will he deny that many financial crimes have been perpetrated in the recent past by

a very objectionable type of company promoter and a similar type of financier and financial organization, causing great loss and hardship and even the most acute suffering to thousands of investors, as well as resulting in a very great increase in the cost of living to the consumer. This is one of the outstanding weaknesses of our system; I refer to the ease with which some financiers have been able to exercise their predatory habits by taking control of certain essential industries in which their only interest is to bleed them white. Already this evening an hon. gentleman has made reference to the milk industry and the manner in which huge fortunes have been piled up by the people handling the milk while the producers have been reduced almost to beggary. No doubt there have been many times when the promoters of this kind of enterprise have been caught themselves in the maelstrom resulting from their operations. They have been caught in the net they spread for others, but that does not in the slightest degree lessen the enormity of their offences or render it any less necessary that the most stringent legislation should be enacted to prevent a repetition thereof.

When we come to investigate the reasons for many of these promotions we find that mainly there are three or four, the first being the desire to make huge profits out of stock manipulation through the organization, reorganization or merging of the companies concerned. Then, having promoted these companies, they demand of the management that they shall reduce the cost of production to the lowest possible point, chiefly by oppressing labour, with no intention whatever of passing the saving on to the consumer but rather that of seeking to exact the highest possible price, make the largest possible profit, control the market and eliminate as far as possible all competition, by any means whatsoever, legitimate or illegitimate. There is no doubt whatever that if not actual fraud something shockingly near to it has been perpetrated by promoters in order to mislead the investing public either by misstatement of material facts or by withholding material information. No doubt these men have been induced to form these various companies because of a general and somewhat natural desire on the part of the public to amass wealth quickly, and they have taken advantage of this desire in order greatly to enrich themselves. With that lack of mercy which is peculiar to the tiger and the wolf, with the cunning of the fox, with fair promises on their lips but foul designs in their minds, they have set out to defraud and cheat the investing public. I know these are strong terms but they are undoubtedly true, and I am quite sure that many hon. members can think at this moment of instances of this kind of thing.

During the past few years there has been, as has already been mentioned in this house, a great increase in the number of huge incomes in the United States—the hon. member for Winnipeg North Centre (Mr. Woodsworth) made a reference to this yesterday. I have here some figures which might interest the house. They are taken from Industry, Commerce and Finance, Chapter 4, Use and Abuse of Credit. The extract reads as follows:

Another set of figures that throws some light upon the amounts taken from the general public has been supplied recently by the Internal Revenue Department of the United States government in its income tax returns for the year 1928. The number of personal incomes in the United States in the various classes in 1928, as compared with 1927 were as folows:

That is just one year—1928 as compared with 1927. I shall not read all these figures but I will point out to the house that incomes between $1,000 and $5,000 were decreased by 128,986 in that one year, while in that same year incomes of over $5,000 were increased by 98,323. But that is not the worst of it. Here are some further figures showing how other incomes have grown:

Class of Income	Number of Individuals 1927	1928	Increase
$ 100,000 and under $ 150,000	5,261	7,049	1,788
150,000 and under 300,000	3,873	5,678	1,805
300,000 and under 500,000	1,141	1,756	615
500,000 and under 750,000	384	685	301
750,000 and under 1,000,000	173	298	125
1,000,000 and under 1,500,000	138	284	126
1,500,000 and under 2,000,000	56	108	52
2,000,000 and under 3,000,000	55	91	36
3,000,000 and under 4,000,000	22	40	18
4,000,000 and under 5,000,000	8	18	10
5,000,000 and over	11	26	15

All this happened in one year, according to the United States income tax returns as published by the Internal Revenue Department. In 1928 there were 26 people with an income of $5,000,000 and over, as compared with eleven in 1927. I know that hon. gentlemen will say: "Why mention these things here? They do not apply to Canada; there is nothing like that in this country." There is no reason to believe that that kind of thing has gone on to the same extent in Canada, but it would be interesting to know to what extent less it has been happening here. The evidence already given before the Senate committee in the United States has been a terrible indictment of high finance in that country, and one wishes that a similarly exhaustive inquiry might be made into the history of some of our own enterprises, Canada Paper and Power, for instance. The financial brigands of whom I am complaining have in many instances chosen for their operations the necessaries of life and the minor luxuries for which there is a great demand. They have selected bread, fruit, fish, milk, coal, cotton, wool, pulp and paper, cement, asbestos and radio. Everywhere they dip unholy hands into the life stream of the people. Nothing is sacrosanct to them if by any means, be they ever so foul, they may enrich themselves at the expense of the public. This house has a duty with respect to these men, and I am hopeful that the government when it brings down amendments to the Companies Act will provide restrictive measures against this kind of thing. If that duty is neglected a day of reckoning will surely come, and it may take a form distasteful to most hon. members. The patience of many of our citizens is well-nigh exhausted; they are becoming better informed. If we fail to rise to the occasion, we cannot justly complain if we are replaced by other men who will deal with the matter.

During the dying days of last session I placed several questions on the order paper and received answers, and I am going to read these questions and answers because I want to make an explanation of my reason for placing the questions on the order paper. The first question was:

1. Was a petition for an inquiry under The Combines Investigation Act alleging that an illegal combine consisting of: Canadian General Electric Company Limited, Canadian Marconi Company (limited liability), Canadian Westinghouse Company Limited, Northern Electric Company Limited, Western Electric Company Limited, Standard Radio Manufacturing Corporation (now the Rogers-Majestic Corporation), Canadian Radio Patents Limited, is operating and has operated since January 19, 1927, filed with the registrar under the Combines Investigation Act, during the year 1930?

The reply to that question was "Yes." The next question was:

2. Did the registrar make an investigation and report to the minister?

The answer was "Yes." The third question was:

3. Was the report of the registrar of such a character as to induce the minister to transmit the complaint, the petition, copy of the evidence taken at the investigations and other necessary documents to the Attorney-General of Ontario for appropriate action under section 31 (a) and (b) of the Combines Investigation Act?

The answer to that was "Yes." The next question was:

4. In view of the fact that the Attorney-General of Ontario did not institute proceedings against the alleged illegal combine, has the minister considered the advisability of applying any of the other remedies enumerated in section 31 of the Combines Investigation Act, and what decision has he arrived at in connection therewith?

The answer to that was "Yes, but no further action is contemplated."

I shall now refer to a few of the allegations made in the petition for an investigation filed with the registrar of the Combines Investigation Act in connection with the alleged combine alluded to in the questions I have just read. I shall remark first, however, that of all the pernicious and, in my opinion, financially immoral ventures to which I have referred, this least touches the actual necessities of life. Nevertheless it is an example, though not the best that might be afforded, of that rapacious greed which characterizes the actions of many of the men whose names are almost invariably found upon the list of those most interested in this sort of enterprise. May I be permitted, Mr. Speaker, to inform you and the house of some of the outstanding features of this particular alleged illegal combine?

In June, 1930, a declaration alleging the existence of an illegal combine was regularly filed with the registrar under the Combines Investigation Act. The declarant, one Charles Ridgway Gilpin of the city of Niagara Falls, in the county of Welland and province of Ontario, declared that a combine was then operating and had operated throughout the Dominion of Canada since January 19, 1927, for the manufacture and sale of radio sets and radio vacuum tubes. It was said that the combine consisted of the companies which I have already named. The petition alleged further that the Canadian Radio Patents Limited was incorporated by and on behalf of the other companies which I have named, with the addition of the Western Electric Company Limited. It was alleged that this

company had an authorized share capital of 50,000 common shares without nominal or par value and that the directorate was composed of two directors to represent each of the first named company and Mr. Russell Smart, the patent counsel for all the said companies. At the time the petition for an investigation was filed, it was alleged that 27,500 shares had been issued to the following companies in the following amounts:

Canadian General Electric Company Limited, 6,250 shares.
Canadian Westinghouse Company Limited, 6,250 shares.
Canadian Marconi Company Limited, 6,250 shares.
Northern Electric Company Limited, 6,250 shares.
Standard Radio Manufacturing Company Limited, now the Rogers Majestic Corporation Limited, 2,500 shares.

It was alleged also that according to the annual summary of March 31, 1929, no cash had been paid into the treasury of Canadian Radio Patents Limited. It was alleged further that Canadian Radio Patents Limited was owned and controlled by the members of the combine and that it was not the assignee of the patents set forth in the licences, but was merely a licensee. Among other allegations it was alleged that the objects of the formation of Canadian Radio Patents Limited were:

(a) Fixing a common licence fee for the manufacture of radio receiving sets under patents pooled by the aforesaid companies in Canadian Radio Patents Limited.
(b) Fixing a common or resale price.
(c) Preventing or lessening competition in, and substantially controlling within the Dominion of Canada, or any particular area thereof, or district, production, manufacture, purchase, barter or sale of radio receiving sets.
(d) The otherwise restricting or injuring trade or commerce.

Any one of these allegations, if proved, would constitute an offence under the Combines Investigation Act. In proof of the statements referred to, and many others of an equally serious nature, the declarant gave many details, far too many to be mentioned in a forty minute speech. But it may be stated at once that the material provided did induce the registrar under the Combines Investigation Act to lay the whole matter before the then Minister of Labour. The then Minister of Labour was sufficiently impressed to cause the appointment of Professor Taylor to conduct an investigation under the act. Owing to Professor Taylor's indisposition, the investigation was not then proceeded with. The then government was shortly afterwards superseded by the present government, who, on coming into office, again authorized Professor Taylor to investigate. Quite evidently the new Minister of Labour was impressed by the evidence submitted to him as a result of the investigation for, doubtless acting under his instructions, the registrar turned the investigator's report along with the other necessary material over to the attorney general of the province of Ontario. The attorney general in turn forwarded it to the crown attorney for the city of Toronto, presumably for action. Judging from copies of the correspondence I have seen, apparently the latter gentleman was of the opinion that prosecution should not follow for the following reasons:

(a) That there had been by that time a substantial reduction in the price of tubes.
(b) That the public expense would be large.
(c) That there appeared to be no public demand for prosecution.

With regard to the first reason, it would appear that the reduction in price was subsequent to the commencement of the investigation and that there was no guarantee that prices would not be increased again directly it became evident that no further steps were to be taken.

With regard to the second reason, a large public expense might have been warranted had the result been an exposure of the methods employed to control not only this but other industries of even greater importance to the general public.

With regard to the third reason, it is submitted that the conclusion that no public demand for prosecution had been created may be justly attributed to the fact that the public were unaware of the way in which they were being gouged in order to make unreasonable profits for the promoters of the alleged combine.

Again it must be admitted that of all the products that are now or have been controlled by combines in the past, radio receiving sets are perhaps the least important. They are certainly much less important than the absolute necessities of life such as coal, milk, cotton, cement, and so on, nevertheless we have here another example of the fact that the greedy type of financier to which I have referred has always sought to control some commodity for which there is a large public demand.

In bringing my remarks to a close, I would point out that the material filed with the registrar afforded a strong presumption that the alleged combine was illegal within the meaning of the Combines Investigation Act. In view of the fact that the Attorney General of the province of Ontario did not take definite action against the alleged combine,

I would urge upon the government the advisability of taking one or more of the remedial steps provided by the act. These steps, briefly enumerated, are as follows:

Reduction or abolition of duties,

Revocation of patent,

The Solicitor General may permit an information to be laid against the guilty party.

As I have stated already, the commodity in question in this alleged combine is not one of great necessity to the welfare of the people but it is certainly one of the minor luxuries which we desire to see in every home. This case provides an example of the greed of the type of men who are eternally looking for something for which there is a great demand in order that they may make money out of the promoting of companies to handle such commodity. I shall conclude by making certain suggestions as to the chief lessons to be learned from the foregoing. They are as follows:

1. That there should be exceedingly strict control of all company promotions.

2. That all applications for incorporation sponsored, directly or indirectly, by promoters who have in the past been actively engaged in fleecing the public should be suspect from the very commencement.

3. That watering of stock should be a criminal offence.

4. That many of the reprehensible practices that can at present be dealt with only by our civil courts should be made criminal offences, punishable by both fine and imprisonment.

5. That anything less than complete and full disclosure of all material facts in prospectus or sales literature should be a criminal offence, also punishable by fine and imprisonment.

6. That all parties who contribute to the issue and sale of corporation securities, whether as promoters, brokers, investment bankers, agents, salesmen and even the "expert" who "certifies" to a material statement should be liable to an action for damages wherever and whenever misstatements or misrepresentation of any material fact in literature used by them with the object of inducing any person to purchase such security results in such sale.

7. That omission to state a material fact should be equally punishable as a misstatement of a material fact.

8. That annual statements of corporations should contain as full disclosure of material facts as the original prospectus or sale literature, and that breaches of such provision be punishable as in the foregoing paragraphs.

9. That the payment of bonuses to managing officials without the consent of shareholders should be an offence.

10. That price concessions to interlocking interests and to persons who are supposed to have influence with the powers that be, while the public must pay current prices, should be prohibited, with penalties for breach of this regulation.

I am hoping that in the amendments to the Companies Act to be brought down it may be found that the federal government, collaborating with the provincial governments, has been able to embody some of these provisions.

Mr. ELIE O. BERTRAND (Prescott) (Translation): Mr. Speaker, it is an established custom that, at the opening of each session of parliament in the British Empire, the representative of His Majesty is the mouthpiece of the government when delivering the speech from the throne, thus informing the people of the country as regards their economic, social, national and international situation. Moreover, the document indicates the legislation to be enacted in the course of the session for the general welfare of the nation.

I think, sir, that our people were anxious to hear of the speech from the throne, so as to be informed of the legislation that the government had in view to alleviate the burden which so heavily weighs on the shoulders of the Canadian nation, and more particularly, may I say, on those of the farming and labouring classes.

In perusing the speech from the throne, one notes that the government intends to enrich the country with a central bank. It is very difficult to know exactly what is the object of this central bank, judging from the outlines given to us the other day by the right hon. Prime Minister (Mr. Bennett) namely that its aim was to control credit from the national viewpoint and stabilize our monetary system with reference to our international relations and commercial exchanges. Therefore, it is very difficult, at present, to discuss the subject, not knowing what legislation will be brought down to remedy the situation. I fear, sir, that this central bank will prove nothing less than an institution for our large bankers. Moreover, it is what is said in certain high financial quarters. If one could obtain in Canada—it is stated—the establishment of a bankers' bank, it would facilitate the business of those who generally carry on large transactions. The people fear that such an institution will be created in this country.

The speech from the throne also mentions that the resolutions of the World Economic Conference will be submitted to the house. It is therefore difficult to discuss at length the subject, because we are informed that amendments to the Bank Act and monetary system will be later on submitted. We must necessarily wait to find out what a central bank means and know what changes will be made in the quotation of our present currency, as compared with what it is now on the basis of gold which we still retain under our present financial legislation. We must necessarily await the bringing down of such legislation so as to be correctly informed of what the house will have to consider.

Further on, the speech from the throne refers to a measure so as to curtail wheat seeding. I wish to frankly admit, sir, that a number of farmers from the southern and eastern sections of Ontario rejoice in seeing that the Dominion had at last understood the farmer's problem by giving a bonus of 5 cents per bushel, in 1932, on all Western wheat, because it was only fair that the growing of certain products, especially wheat, should afford a livelihood to its farmers, and, therefore, the government came to the rescue of those who carried on this production. When however, to-day, so as to solve the problem of those who carry on such wheat growing, they are requested to reduce, in the future, the acreage sown, it affords very little hope of improvement to the farmers of Canada, Ontario and Quebec. However, again do I state that one must necessarily wait. The government also leads us to hope that a measure in connection with agricultural short term and intermediate credits will be brought down so as to help the farmer. The latter is certainly in need of this credit and this, in various ways; however, if we are to judge from the statement made by the right hon. Prime Minister, in answer to the leader of the opposition's (Mr. Mackenzie King) question, the other day, it will be very difficult for the farming classes to obtain such credits, either in cooperation with the government or in cooperation with our financial institutions. He stated: who, among you, after all, would loan money to someone who is wholly insolvent or is on the eve of becoming so?

I am sorry to state, sir, that the farmers whom I have the honour of representing—for the county of Prescott, with the exception of a small industrial town, is essentially farming—are absolutely in the situation described by the Prime Minister. We took much pride in the past in the fact that the farming class was the foundation upon which rested the entire economic structure of our country and that the labouring classes were certainly those who purchase the largest quantities both of the manufactured and agricultural products. I really wonder whether one can find in the speech from the throne, such as delivered to us, any hope of relief. It is true that one finds a little further on, that works are to be undertaken toward the relief of the unemployed, in the course of the year. I shall refer to this subject later, as well as to another in connection with agriculture to which the speech from the throne makes reference.

The speech from the throne further states that we shall be given an opportunity to study the Excise Act, the Judges Act, the Companies Act and the Elections Act. I shall not dwell further on that part of the speech. However, I wish to congratulate the hon. member for Last Mountain (Mr. Butcher) on the able speech he delivered as regards the necessity of amending the Companies Act, so that the various companies, holding either dominion or provincial charters, be so organized that they will only issue stable values to the public, and that the act be so drawn up to protect the interests of those who invest money in such enterprises, thus preventing speculation and informing the public of the real value of their shares or bonds previous to being put on the market.

Mr. Speaker, I do not think I can err much in repeating what was so well stated by the hon. member for Brome-Missisquoi (Mr. Pickel) that, of all classes, the agricultural one is certainly the class which is undergoing the greatest hardships and meeting the most difficulties. The speech from the throne sufficiently and very clearly states on this subject:

> The prices of agricultural products which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months. My government realize, however, that further increases in price levels are necessary to ensure success to those engaged in agriculture.

In fact, if we compare farming products with those manufactured, and if we take as a basis of comparison the year 1926 when the values of products were practically normal, when the farmer could fairly well balance his budget, and when our industries, trade and all other activities in the country were prosperous, I think we can well refer to the figure 100 as an indication of the value of these products. Therefore, basing our calculations on the year 1926, we find that the farmer would have required the amount of products which I shall mention shortly to purchase one dollar of manufactured goods. Taking

the figure 100 as our basis of comparison for 1926, the farmer could purchase $1.00 of manufactured goods in 1926, with $1.00 of farm products. In 1927, he could purchase $1.00 of manufactured goods with 95 cents of farm products. In 1928, $1.00 worth with 94 cents. In 1929, $1.00 of manufactured goods with 92 cents. In 1930, $1.00 of manufactured goods with $1.06. In 1931, $1.00 of manufactured goods with $1.33. In 1932, $1.00 with $1.44 of farm products. In 1933, $1.00 of manufactured goods with $1.38 of farm products.

Therefore, in 1933, last year, the farmer was forced to sell $1.38 of farm products so as to purchase $1.00 of manufactured articles, namely a drop of 38 per cent in the value of his products. The farmer must necessarily purchase a great number of articles which he does not produce on his farm. I must add that the hon. member for Brome-Missisquoi stole a march on me with reference to the remarks that I intended to make so as to prove the difficult situation of the farmer. I, however, wish to congratulate the hon. member for Brome-Missisquoi on his courage. In spite of what is disclosed in the speech from the throne, in spite of his leader's policy, and notwithstanding that he is a government supporter, he admits that there is nothing of any consquence in the speech from the throne, not an iota, that this question should be considered outside of party politics, because the farmer is at the door of bankruptcy and he must absolutely be assisted.

Mr. POULIOT (Translation): If the hon. member will allow me. The hon. member for Brome-Missisquoi made the same statement last year, he, however, repudiated his statement fifteen days later.

Mr. BERTRAND (Translation): The hon. member for Témiscouata (Mr. Pouliot) may be right, however, it gave me pleasure to meet a repentant sinner wishing to preach the good cause. I only saw the good intention of the hon. member for Brome-Missisquoi.

Mr. DUPUIS (Translation): Hell is paved with good intentions.

Mr. BERTRAND (Translation): Truly, sir, we cannot have more convincing proofs in this matter than those given by the hon. member for Compton (Mr. Gobeil). Referring to the price of butter, when he moved the address in reply to the speech from the throne, he stated that, in 1929, butter was worth 39 cents in Canada, while in the United States it was worth 45 cents; and he added that, in 1933, butter was worth 20 cents in Canada, while American butter sold at 21 cents on the New York market. He asserted that we had made a great gain since the difference was much less between the price of butter on the Canadian and the United States markets. However, the hon. member for Compton forgot to state that the fixed charges of the farming class are the same as those of 1930, at the time of the Dominion election when all Conservatives taking their cue from their leader, felt sorry for the Canadian farmer, from the Atlantic to the Pacific, they stated that something had to be done to enhance the price levels on agriculture. To-day, although the farmer's lot is the same as in 1930, so far as his debts and liabilities are concerned the hon. member for Compton will allow me to prove, according to his own figures, that the price of butter has decreased 18·70 cents per pound. I do not think that such was the expectation of the farmers, when they listened to our friends proclaiming their policy in 1930.

It is, therefore, not amazing that, to-day, the government states in the speech from the throne:

> You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

We welcome such a statement; however, as we are all aware that agricultural products in the world's markets fall under the inevitable law of supply and demand, the statement seems to us as having been inserted in the speech from the throne in view of a probable election in the course of this year. It is a clever way of renewing the pledges of 1930, and, in my opinion, we are greatly reminded of the promises of 1930; for instance those made by the right hon. Prime Minister (Mr. Bennett), then leader of the opposition.

At Woodstock, N.B., on July 2, 1930, he stated:

> I regret to see the deserted farm lands of New Brunswick, Quebec and other provinces. Well, I am going to say right here that I shall regard it as my great responsibility if elected on July 28 to see that the collective weight and power of the Dominion of Canada is placed behind agriculture. I would be lacking in qualifications entitling me to head a government if I failed to do so.

We are told, at times, that this pledge was fulfilled since the national market was reserved for the Canadian farmer and that it helped to safeguard the interests of the farming classes. I openly state, sir, that this explanation will not satisfy the farming community of this country, even if some of these pledges have had the honour of being

included in the speech from the throne, in 1934. In order to realize to its full extent the difficult situation in which the farmer finds himself, we must quote figures to prove the loss in value of farm products since 1929, the last fiscal year when we were in power, and those of 1932, the last year for which I was able to get statistics on the subject.

The right hon. Prime Minister, in his last speech, quoting a large number of statistics to prove how all the other classes of our social order, all other undertakings and trade activities of this country were progressing, uttered these encouraging words which still linger in my ears: 25 per cent increase in the mining industry, so much per cent for pulpwood, so much per cent for paper. I wonder if there were a small per cent increase for the farming class, so that they might face with more hope the coming year. We note however that it is quite the contrary, when facts are weighed. I shall refer to prices of products in this country and not of those on exports, which are not indicative of products consumed here. The field crops, throughout the country, in 1929, were valued at $948,981,000. In 1932, they were simply valued at $416,587,000:

	1929	1932
Live stock on the farm.	$207,317,000	$69,033,000
Wool.	4,470,000	1,093,000
Dairy products.	291,743,000	131,623,000
Fruits and vegetables.	46,398,000	30,245,000
Poultry and eggs. . .	107,664,000	48,824,000
Tobacco.	6,276,000	6,088,000
Clover and grass seed.	2,957,000	962,000
Honey.	2,806,000	1,651,000

For the above products the total value of such farm products, in 1929, amounted to $1,631,081,000 and, in 1932, $711,898,000. Therefore, the value of farm products has decreased more than 50 per cent since 1929, while manufactured products decreased, on an average, 21 per cent or from 100 to 79. That is the situation in which the farmers are placed, they are obliged to face all their liabilities with a decreased revenue of 50 per cent. The value of their land has equally suffered; as a consequence of this said situation, they have lost their purchasing power; as correctly stated by the right hon. Prime Minister, these people are in a difficult position to borrow money. More than 50 per cent of the population of the county which I have the honour of representing in the house, find themselves in that sad plight and in pointing this out like the hon. member for Brome-Missisquoi (Mr. Pickel) did, I request that special consideration be given to the problems of this class of people who are in need and suffer hardships, they are on the eve of losing their land, a heritage left to them by their forbears after having toiled and laboured numerous years. I publicly state this fact, because the farm is not a place where money is earned and accumulates easily, especially in Ontario and Quebec. One must toil many years and long hours daily to set aside a few savings. In our section, at present, the savings of all have entirely disappeared. In order to prevent the farmers from increasing the number of unemployed and becoming also dependent on the government, everything possible must be done to help this class of our population.

I stated, last year, in enumerating our Dominion, provincial, municipal, school and other liabilities for which the people of this country have rendered themselves responsible, that the enormous amount of such debts burdens us with heavy interest and that if that amount were equally distributed it would amount to $73.20 per capita or $365 per family of five. Thus the farmer burdened with such debts finds it absolutely impossible to meet his liabilities. I am not referring to those who are settled on old farms entirely paid for, but to those upon which there are mortgages and I state that it is absolutely impossible for these farmers to clear their debts unless markets are found for them in order that they can sell their products at a higher price than that obtained at present. Means certainly can be found to assist the farmer. One of these, absolutely necessary, would be to lower the rate of interest, this would alleviate the burden which weighs so heavily on the Canadian people and still more heavily on the farming community, because, as I stated last year, it is the most numerous class, the one most attached to the land and possessing more real estate than any other class; this being so, they must pay a larger portion of the nation's liabilities. May I suggest that sacrifices be requested from big financiers and that the rate of interest be reduced to 2 per cent.

Last year the hon. Minister of Finance (Mr. Rhodes) stated that the rates of interest would be reduced. The farmers of my district read this statement with much joy. However, what a disappointment they experienced when they heard that it was the rates of interest on the déposits in banks that were to be reduced from 3 to 2½ per cent. In other words the depositors would receive in the future ½ per cent less on the money they entrust to the banks. This in no way helps the farmer and does not improve his credit, since the banks will no longer make loans to farmers in our district. This measure was therefore no help to agriculture.

It was possible to assist the farming class by reducing the rates of interest and lowering the tariff in order that they might purchase at reduced prices the articles which are indispensable to them and in order that these prices should correspond to the present prices of farm products. Such measures would be absolutely fair, would prevent certain capitalists profiteering through the tariffs adopted by this administration and would establish a more reasonable equilibrium between the various classes of society.

The liberals are not the only ones who believe that such measures are just and equitable. Sir Robert Borden advocated lower tariffs, in February last year; he stated that it was necessary to wipe out the restrictions which paralyzed international trade. This statement was endorsed by numerous citizens who were in the habit of proclaiming that protection was indispensable to this country. Sir John Aird stated that tariffs should be lowered throughout the world. Mr. Thomas Bradshaw, of the North American Life, asserted that tariff changes were absolutely necessary. Sir Herbert Holt contended that tariffs and economic wars were of no avail. Mr. S. J. Moore, of the Nova Scotia bank stated that it was absolutely necessary to relieve stagnation caused by tariff walls. Mr. McLeod, manager of the same institution, advocated radical changes in the tariffs.

Such changes would certainly help the farming community and permit it to purchase at lower cost the products they require.

If it be the correct thing for the government to guarantee the credit of certain commercial and industrial enterprises, so as to safeguard the national credit, I state that it is quite the correct thing also to guarantee the loans made to farmers in order to permit them to remain on the land, exactly the same as means were found to guarantee the loans of the Beauharnois corporations, to supply funds to the Canadian National, to loan money in order to facilitate the sale of the western wheat crop, to disburse large amounts for undertakings to relieve the unemployed, to guarantee the loans of certain provinces and finally to guarantee a loan of $60,000,000 to the Canadian Pacific Railway.

After all the farming class of this country should have precedence over these various enterprises, because the farmer is the source of all their activities and is the largest consumer of this country. If no assistance is extended to him and he becomes aware that extraordinary advantages are granted to all these enterprises, while the whole nation neglects him, we wonder how we shall keep our sons on the land and succeed in settling new sections, as it is advocated throughout the country. How can our statesmen hope to succeed in settling new districts when they know that farmers who have toiled on our early settled farms can no longer earn a livelihood on them, today?

I now wish to briefly comment on the situation of the unemployed in the county which I have the honour of representing, I shall be brief because there only remains a few minutes of the time allotted to me. We have a large number of unemployed in Hawkesbury. These people would rather work than depend on the dole. I think that they will be somewhat encouraged when they read in the speech from the throne:

> My government propose further to promote employment by expenditures on essential public works and undertakings throughout the Dominion.

Such words give them hope to earn again a livelihood for their family and cease to depend on the government. Our people always prefer work to the dole, however, we have had sad experiences in our district and we do not know what to think of these large public undertakings. In 1930, the Perley bridge at Hawkesbury was erected and I confess that the workmen did not consider it a "pearly" bridge, the contractor having reduced the scale to wages agreed in the contract by 10, 15 and 20 cents per hour, moreover, the men were transferred from one class to another in order to still further lower their wages. We were obliged to complain to the Ministers of Labour and Public Works. Finally, we were forced to appeal to this house and the country before the hon. Minister of Labour (Mr. Gordon) and the hon. Minister of Public Works (Mr. Stewart) were induced to force the contractor to remit to these men what they had earned.

In 1932, a contract to relieve the unemployed was granted through the intervention of the provincial government, the dominion government supplying part of the funds. It was in connection with a deviation of a road at L'Orignal. As the levelling of the road was specially undertaken to help the unemployed, we had hoped that a large number of men would be employed. Unfortunately, a mechanical shovel was used for this work and our workmen were deprived of work. In 1933, another paving contract on the transcanada highway, between Hawkesbury and L'Orignal, was given out for the purpose so-called of relieving unemployment. The contractor had intended to employ the workmen of Hawkesbury, L'Orignal and the surrounding country, he was, however, obliged to employ quite a large contingent from Rockliffe Camp, at

Ottawa. Our workmen protested against this policy because it was one of the few opportunities given to them to earn enough to support their family. We most earnestly protested and immediately requested that people from the district be employed when such works were undertaken rather than having recourse to workmen brought from distant points. The more so because our people are in receipt of money provided by the unemployment fund, while work is being done at their door.

I had a few other remarks to make, but I notice that the time allotted to me is almost at an end. I shall state in closing my remarks that the people of this country are anxious for a change of government in order to give the workmen a better opportunity of earning a livelihood and the farmer a chance to return to his normal state. We contend that they suffer the most in the present crisis and I can assure you that they desire the reestablishment of a better economic equilibrium among the various classes of society, the free intercourse of our international trade and an opportunity for each individual to occupy his normal place in the midst of our population.

On motion of Mr. Maloney the debate was adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: To-morrow we will take the business as it is on the order paper, and probably, in order that we may be prepared for business, we may go into supply and discuss shortly Finance, Justice and Public Works so that we may be able later to proceed without delay.

Mr. STEWART (Edmonton): I may say that there will be no objection from this side of the house—

Mr. BENNETT: We will not pass any item.

Mr. STEWART (Edmonton): I was going to say that if objection were taken to going into supply, it could not be done.

Mr. BENNETT: We have the right to make a motion to go into supply; of course we cannot go into supply automatically. It is not proposed to pass any item, but we wish to prepare the way so that we shall have two or three items that will be under discussion in order that we may proceed with supply when our present business is disposed of.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. Bertrand.]

Friday, February 2, 1934

The house met at three o'clock.

PRICE SPREADS AND MASS BUYING

SPREAD BETWEEN PRICE PAID PRODUCER AND COST TO CONSUMER

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

That a select standing committee of eleven members of the house be appointed to inquire into and investigate the causes of the large spread between the prices received for commodities by the producer thereof, and the price paid by the consumers therefor; the system of distribution in Canada of farm and other natural products, as well as manufactured products, and, without restricting the generality of the foregoing, more particularly to inquire into and investigate,—

(a) the effect of mass buying by department and chain store organizations upon the regular retail trade of the country, as well as upon the business of manufacturers and producers;

(b) the labour conditions prevailing in industries supplying the requirements of such department and chain store organizations, and the extent, if any, to which existing conditions have been brought about by the purchasing practices of such organizations, and the effect thereof upon the standard of living amongst those employed in such industries and organizations;

(c) the relation between the flour milling industry and the bakeries of the country, and the effect of such relations upon the baking industry of Canada;

(d) the methods and system prevailing in the marketing of live stock and animal products for domestic consumption and export, and the extent to which the present system affords or restricts opportunity for fair returns to producers.

That the committee shall have power to send for persons, papers, and records, and the further power to request the appointment of a commission or commissioners under the Inquiries Act, to secure evidence to be presented to the committee by such commission or commissioners.

That the committee shall report to the house from time to time its findings, together with recommendations of such measures as in the opinion of the committee may be considered necessary to secure as far as possible, fair and just practices in the distribution and marketing systems of Canada, with fair and just returns to producers, employees, and employers, not inconsistent with the rights of consumers.

He said: The purposes to be served by the committee are, I think, amply indicated in the motion which I now move. I should not think it desirable at this time to enter into any discussion as to the correctness or otherwise of representations that have been made with respect to the causes for the great spread between the cost of commodities to the consumer and the price received by the producer. I think that might be regarded as an effort to pre-judge the case, and I

prefer to leave it without making any observations as to specific instances. Suffice it to say that I think it is probably well known to most of us that there is a wide spread between the prices received by the producers and the prices paid by the consumers of most commodities, natural and otherwise, with which we have to deal in the country.

The question of the retail trade in the country has received much attention during recent months. One of the trade journals has made very strong observations as to the necessity of having the business of mass buying by large organizatinos in some way regulated, but whether or not that is possible I am not expressing an opinion. I only indicate that the matter has been very forcibly presented to the public in recent months, and it is desirable that the whole subject should be investigated.

It will be recalled by this house that after the war a conference was held, in accordance with the terms of the treaty of Peace, looking towards more equitable provision being made for compensation for labour, better hours, less onerous, shall I say, hours of service, and better compensation. In this country the acute division of legislative powers between the Dominion parliament and the provincial legislatures has occasioned much diseussion, but most of the provinces did pass minimum wage acts and regulations were made under the provisions of those statutes. It is alleged, and very strongly, that there has been practically a disregard of the provisions of those statutes in many of the provinces and that industries and factories have been placed upon the exempt list with very evil consequences to those who are employed in them. Without in any sense indicating the correctness or otherwise of the statements that have been made, the government has thought it desirable that there should be a close and careful consideration of all these matters as they affect the standard of living, compliance with the general principles of the law and the conclusions which were reached at the end of the war and embodied in the treaty of Peace and which in fact brought about the maintenance at Geneva of an international labour bureau to which we have made notable contributions.

With respect to one particular industry in this country to which I observe reference was made yesterday by an hon. member from Saskatchewan regarding the relation between the bakeries and the milling industry, it is necessary for me at this moment only to remark that many of our milling industries own bakeries as subsidiaries and that the effect that such ownership has had upon the price paid for bread or other products of the bakeries is a matter that will be considered by the committee.

The other problem to be dealt with is one that is almost a perennial, that is, how the marketing of live stock and animal products in this country may be improved. The other evening I pointed out that an effort had been made many years ago to improve conditions in Canada and that successive governments, federal and provincial, had endeavoured to grapple with the question. The committee will investigate the method and system prevailing and ascertain to what extent the present system affords the largest possible opportunity or restricts the largest possible return being given to the producers. After consideration I thought it was not desirable to enter into a discussion of specific instances, because that might be regarded as a tendency to prejudge the matter, but I realize that to set up a committee of this kind it is necessary that witnesses should be called, that papers and documents should be examined, and that the committee should have before it evidence as to hours of labour, wages paid, and conditions. That is very difficult for any committee to secure by the mere calling of witnesses and it has been thought that the committee might direct that a commission be issued to some competent person to make inquiries in factories A, B, C and D and report such conditions to the committee. I believe that would serve the purpose without undue expense, and at the same time give first-hand evidence to the committee of the conditions about which complaints have been made. I know hon. members are all familiar with the use of the word "sweatshop" and recently representations have been made to me, and, I fancy, to hon. members opposite as to conditions in some of the factories of the country. It is proposed by this method, if it meets with the approval of the chamber, to deal with the situation, that is, that the committee shall determine that a given individual who has the qualifications necessary shall be appointed to make investigations into factories in Ontario, Quebec or elsewhere and then come back to the committee and report conditions as they are found. I do not think there is anything I desire to add beyond what is stated in the motion itself and these few preliminary observations which are made in explanation of the reasons for the motion being moved.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I am rising, not to take exception in any way to the purpose to be served by the motion,

namely, that of establishing a special committee of the house to make the inquiry indicated in the motion itself, but rather to express surprise that the government has waited until the fifth session of this parliament to introduce a motion of this kind.

An hon. MEMBER: How long did the right hon. gentleman wait?

Mr. MACKENZIE KING: If we waited any length of time, it only makes the time hon. members opposite have waited still longer. If, before the late government went out of office, my hon. friends recognized the necessity for an inquiry into the matter referred to, I am more than ever surprised that they have waited so long. The point I wish to make is that, ever since this parliament has been in session, there have been persistent representations as to the necessity for an investigation into the spread of prices; and into the necessity not merely for an investigation but for action by way of legislation which would make more effective legislation already on the statutes, and to meet a most pressing and urgent situation in the country.

The motion indicates that there is to be an inquiry by a committee with the possibility of the matter being followed still further by a royal commission. The Prime Minister (Mr. Bennett) has just indicated that in all probability a royal commission will be appointed. I would take that to mean that so far as this session of parliament is concerned, if we are to judge by the length of time parliamentary committees and royal commissions usually take to do their work, we shall hardly be able to look for much in the way of legislation that will help effectively to meet what apparently at last the government recognizes to be a very serious condition. The motion is in large part one of postponing action. What the country is interested in is not so much further inquiry with respect to matters about which nearly everyone knows a great deal, but legislation, if more is required, to meet a situation that is already understood.

Among motions specifically related to the question of inquiring into the spread of prices, was one introduced and discussed at the last session. In the course of the debate information was disclosed amply sufficient to guide the government in the matter of the necessary legislation. The hon. member for Assiniboia (Mr. McKenzie) at the beginning of last session gave notice of the following resolution:

That, in the opinion of this house, an immediate inquiry should be made under the provisions of The Research Council Act, chapter 177, R.S.C., 1927, or by other means, into the causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products.

That resolution stood on the order paper throughout the greater part of the session. Finally, a debate took place upon it, and at that time the Minister of Trade and Commerce (Mr. Stevens), who has recently been speaking on this subject, said that later on he would have some observations to make on the subject in this house which would be—and I quote his words—"sympathetic and not in any sense antagonistic to the object they have in view." Why did not the Minister of Trade and Commerce come along with his further observations before the session was over? Nothing more was heard about the resolution. It was allowed to remain on the order paper, the government gave no further opportunity to have it discussed. Yet the Minister of Trade and Commerce now says that at that time he was in sympathy with the resolution. I submit that in view of the discussion which took place on that resolution, the government might well have held an inquiry during the recess and had legislation in readiness at this time, rather than to be now asking the house to appoint a special committee to begin inquiry.

Last night, in this chamber, an address was delivered by the hon. member for Last Mountain (Mr. Butcher) which showed as conclusively as any inquiry that could be made by a committee of this house the necessity for further legislation to meet the obvious restraints of trade and commerce which help to account for the wide spread between prices being paid to producers and those which are being paid by consumers.

I recall that this summer, speaking in western Canada, while in the province of Alberta, I drew the attention of the public to the necessity, perfectly obvious in the mind of every farmer I met while there, of some immediate investigation into what is believed by the cattle raisers to be a series of price fixing arrangements in connection with the processing of products of the cattle industry and of immediate legislation with respect thereto. I quote from a press dispatch from Claresholm, Alberta, of August 14, reported in the Ottawa Journal by Canadian Press, August 15, as follows:

"I find," said the Liberal leader to his Claresholm audience, "that people in the cattle-breeding business here are just being strangled in matters of trade."

In the combine which he believed existed there was circle after circle, each demanding its profit, so finally a great spread grew up between the producer and consumer.

It is not necessary to have any government inquiry to find out that that condition is

existing, it is known by the cattle-raisers generally throughout western Canada. What I think was really to have been expected from the government at this time was, not that they should be asking the house, in this fifth session, to appoint a committee of inquiry, but that they would bring down concrete legislation in the light of information which hon. members already have, and which is ample for the purpose of guiding the government.

There is one other aspect which I think is perhaps even more important. It is that the government has already legislation available to deal with matters of this kind, if it will view the whole question sympathetically. Legislation is one thing, but the administration of existing law is quite another. I do not think one need go beyond what has taken place in the last three or four years to recognize very clearly that no matter what the laws may be, unless the department of the government that administers them is wholly sympathetic with the object in view, the law will serve very little purpose. We have on the statutes a Combines Investigation Act which provides all the machinery necessary for the purpose of making the fullest possible kind of inquiry into any matter preventing or lessening competition or restraining trade; effective machinery, machinery giving all the powers and affording as well all the safeguards needed in connection with inquiry into matters of this kind. But where inquiries have started under the Combines Investigation Act, as far as they have been within the control of the ministry proceedings have been protracted and permitted to drag along from year to year so that the legislation itself has been rendered largely ineffective. What is really needed is sympathetic administration.

To illustrate the difference between the attitude taken by hon. gentlemen opposite and that of hon. members on this side with respect to the investigation of combines, monopolies and other organizations in restraint of trade, I might point out that in 1910 the Liberal government of the day placed on the statutes a Combines Investigation Act. That statute served a useful purpose while the Liberal administration was in office. Soon after, the Conservative party came into power in 1911. In 1914, the war came on, and during the period of the war there were other matters to which attention of necessity had to be given, and some matters which were of great importance at other times did not at that time receive the same amount of attention. But long before the war was over, there was ample evidence of the extent to which formidable monopolies and combinations in restraint of trade had been developing, which had been doing much to further the artificial fixation or control of prices. Did the government of the day try to proceed under the act? Did they not rather take a course quite the opposite? Hon. gentlemen will recall that they repealed the Combines Investigation Act, and substituted for it two other pieces of legislation; the Board of Commerce Act, passed in 1919, and a so-called Combines and Fair Prices Act passed in the same year. But these measures had no sooner been passed than their constitutionality was questioned, and shortly before the government of that day went out of office a decision was given by the judicial committee of the privy council to the effect that the Board of Commerce Act was ultra vires. In other words, all that was done was to repeal an act which was wholly effective, and substitute for it measures which would prevent any real investigation taking place meanwhile.

What happened after the change of administration? In 1923, the Minister of Labour in the late Liberal administration reintroduced a Combines Investigation Act. A great deal of study and care had been given to its preparation. A Combines Investigation Act was again placed on the statutes and while a Liberal administration was in office the measure was sympathetically administered. The public soon became aware of the fact that, if the attention of the Department of Labour were drawn to combines and monopolies in restraint of trade in accordance with the provisions of the act, a very thorough investigation might be expected. The result was that many of those who otherwise might have lent themselves to price fixing by agreements to restrict and hamper trade were more cautious and careful in their action. But since hon. gentlemen opposite have come into office the Combines Investigation Act has not been as sympathetically administered. Indeed, one has only to look at the estimates laid on the table by the hon. the Minister of Finance a day or two ago, to see how this very year, at this very moment, at a time when the act is more needed than ever before, and when its provisions should be of the greatest possible service, the government is actually cutting down the appropriation needed for efficient and effective administration of the act. I have in my hand the estimates of the Department of Labour for the year ending March 31, 1935. I find that in the year 1933-34 a total of $43,000 was appropriated for the purposes of the act, but that

this year there is to be an appropriation not of $43,000 but of $22,000. The vote is practically cut in half, and this at a time when hon. gentlemen by the motion which they now introduce, concede the necessity for full inquiry into the sort of thing with which the Combines Investigation Act was enacted to deal.

May I add that the Combines Investigation Act contains within its provisions ample powers for all the investigation that need be made to guide the government in the matter of further legislation? The legislation is already there, we do not need to wait for a committee of this house to report on these matters. There is ample provision in the act for conducting inquiry if the government is really in earnest.

Take one matter that the Prime Minister has just referred to, the appointment of a royal commission. The Prime Minister says when this committee meets that possibly they will want some additional information, and that in all probability a royal commission will be appointed to secure the information. Why should it be necessary to take that step when the legislation I have in my hand has anticipated and provided the means to meet the need for that very sort of thing? Let me read section 12 of the Combines Investigation Act, 1923:

> All provisions of the Inquiries Act not repugnant to the provisions of this act shall apply to any inquiry or investigation under this act, and the registrar and every commissioner shall have all the powers of a commissioner appointed under the Inquiries Act, including the powers mentioned in section 11 thereof, whether thereunto authorized by the commission issued in the case or not, except in so far as such powers may be inconsistent with the provisions of this act.

With all the powers that could be conferred under the Inquiries Act, under which royal commissions are appointed, already given the commissioner under this measure; with those powers available to the minister in order to obtain the information that is necessary to guide parliament or his department, why should there be need for a royal commission? More than that, on his own initiative the minister can hold an inquiry into any one of the various matters mentioned in the provisions of the act. He has a staff that is efficient and trained in matters of this kind, and he has a registrar who has shown his capacity for careful, tactful, thorough and efficient investigation. Why should an effort be made to get out from under this act, in an investigation of this kind, and have matters placed in the hands of a royal commission?

[Mr. Mackenzie King.]

In a word, Mr. Speaker, that is my objection, so far as I have any, to the motion before the house at the moment. I would not in any way discourage any step which will help arouse the ministry to the necessity for action, but I do say that they ought to be fully aroused at the present time, that they ought to have been fully aware of the need for inquiry long ago and that they ought to have been fully aware of the need for what more may be required in the way of legislation. I say the ministry ought now to be prepared with its legislation. Just about this time last year, speaking in this house, I pointed out that if there were, as I thought possible, limitations to this act in coping with new situations which have arisen, the government ought to supplement it by additional legislation. I said that the Combines Investigation Act was only a beginning. I quote from what I said on February 27, 1933:

> The Combines Investigation Act is but a mere beginning and does not meet the situation obtaining to-day. There should be more adequate facilities for investigations, and additional penalties should be imposed. Some conditions obtain which should be remedied by additional provisions in the criminal code. To-day we are seeking in vain to cope with these evils by milder methods.

Why are not additional provisions recommended for the criminal code in order to meet some of the situations which I think are pretty obvious and understood by the public generally? The public are looking at this session not for further inquiry or further royal commissions but for action in the nature of legislation.

I have just one further thought to add, and it is this: Since the government has decided that a parliamentary committee is advisable for the purpose of inquiry, the government should enlarge the scope of the inquiry in a manner which will go to the very root of the situation. The Prime Minister and the Minister of Trade and Commerce have drawn attention to what they have referred to as mass purchasing and alleged evils growing out of mass purchases in the retail and wholesale trade. When purchases are made they are made from large manufacturing concerns, and when large manufacturing concerns fix their prices for the things they sell they take into account all items that have entered into the cost of production. I submit that what is really required, above everything else, is an inquiry into the methods of financing of some of the large industrial concerns of this country, and what through reckless financing has been occasioned by way of loss which is being passed on to the consumer and for which the consumer is paying to-day.

That is a situation, Mr. Speaker, of the existence of which we have had ample evidence south of the line, and anyone who is familiar with conditions in Canada will realize that a similar situation exists here. So I would suggest that, before this motion carries, if at all possible, it should be enlarged to include an investigation into the method of financing of some of this country's industrial concerns.

Mr. WILLIAM G. ERNST (Queens-Lunenburg): Mr. Speaker, I desire to ask the Prime Minister if he would consider an amendment to paragraph (d) of the resolution. Probably in the case of no other commodity is there a greater spread between the price paid by the purchaser and the price paid to the producer than in the case of fish. Paragraph (d) may be intended to include an inquiry into the fish business, but that does not appear. So I would ask the Prime Minister if he would consider an amendment to that paragraph, inserting after the words "live stock" the word "fish," so that it would read, "in the marketing of live stock, fish and animal products."

Mr. POULIOT: And to-day is a fish day.

Mr. ERNST: Yes, and the price is too high.

Hon. CHARLES MARCIL (Bonaventure): I should like to support the suggestion made by the hon. member who has just taken his seat. In the Gaspe peninsula the fishermen complain that they are treated differently from their brother fishermen in the maritime provinces; this is a long-standing complaint, and it has been made more frequently since the fisheries were transferred to the provinces. At the present time there is a move on foot to have joint action taken by the dominion and the province to attend to these Quebec fisheries, so I hope the Prime Minister will agree to the suggestion that has been made and include fish in this resolution.

Hon. P. J. VENIOT (Gloucester): When coming to attend this session of parliament, Mr. Speaker, I did not intend to take a very active part in the debates, but when I saw this motion which has been brought forward by the Prime Minister I could not help thinking that it should be enlarged. Holding that opinion I wish to suggest, and in fact I may say that I am going to move, an amendment as an addition to the motion before I resume my seat.

My reason for thinking that the motion does not go far enough in the matter of investigation lies in the fact that no reference is made to the point I wish to raise. In paragraph (a) we have the matter of mass buying which is to be investigated; under paragraph (b) labour conditions are to be looked into; paragraph (c) deals with the relationship between the flour milling industry and the bakeries of Canada. These are all to be investigated, but there is one phase of the question of industrial development in Canada which I think should attract the attention of the government to a greater extent than the subjects I have mentioned, and that is the effect of the administration of the finances of this country upon industry in general.

The administration of our finances, as I understand the principle, should be so arranged as to serve industry and not have industry serve finance. It is a patent fact that within the last few years the financiers of Canada have developed industries to serve their own needs. Why should the bankers, brokers, those in charge of bondhouses, trustees or trust companies have the administration of Canadian industry? It is a known fact that one of the chief reasons for failure in the production of newsprint is that the financiers have encouraged kite flying to the very skies. Instead of pointing the way for the industries, attempting to effect a curbing influence, and pointing out that the industries are on dangerous ground, those financiers have encouraged development to the point where they, the financiers of Canada, the brokers, the trust companies and the banks have taken the personal profits to themselves, a process which has not been in the best interests of the industries affected.

The same statement would apply to the development of Canada's mineral resources, to our lumbering industry, and to many others I might name. I repeat that the time has come when this parliament should take the matter in hand and by legislation, and if necessary drastic legislation, prevent the financiers from in future handling the finances of Canada the way they have been handled in the past.

Probably the house would excuse me if to some extent I violate the rules and read from a manuscript. Why should we find industry being controlled by banks and trust companies? If the financiers had not encouraged promoters to fly their financial kites to the skies we would not have in Canada to-day such drastic failures. Let us if possible get to the bottom of the financial evil, and thus lay the foundation for more solid and enduring development of our industrial life. If we

can do this we will be sounding the death knell of industrial speculation, we will be securing a solid foundation for our internal expansion, we will secure better wages for our labouring class, we will put an end to uncontrolled and ruinous competition and, above all, we will lessen mass buying, of which there is so much complaint. Through this action organized industry will be able so to lessen its overhead and control its cost of manufacture that competition will find a common ground on which to make offerings of its wares to the public. Those who complain of mass buying cannot, and should not, blame the wholesale purchaser who knows that the manufactured goods offered to him are priced on the basis of the amount of watered stock which can be traced to their cost, the effect over-capitalization has had upon the cost of production, and the relation of high interest rates to such cost.

The firm that has not been cursed by such over-capitalization, watered stock and undue rates of interest can afford to sell at prices yielding a moderate profit. Is it any wonder that wholesale dealers will say to the manufacturers, "Your prices are too high, and unless you come down to something reasonable we will have to purchase elsewhere,—outside of Canada, if necessary. We should not be called upon to pay an added cost arising from the fact that you have to pay from eight percent to twelve percent for the money you have borrowed. We should not be called upon to pay an added price caused by over-valuation or over-capitalization of your stock. We should not be called upon to pay the prices which you claim you must add to your ordinary profit to take care of the high rate of interest which you have to pay for the money invested in the development of your industry." Can you blame the wholesalers for mass buying? Can you blame a wholesaler when he states to a certain firm, "Your cost is too high, and if you do not come down to a reasonable price we will have to look elsewhere, even if we have to look outside of Canada." My conclusion is that the only way to remedy the evil I have outlined is to go fully into the whole matter, call upon our captains of industry, our banks, our trust companies and our brokers to lay bare, before a committee of the house, or, if you like, a royal commission, the methods adopted in their business transaction.

To that end I move the following and ask the Prime Minister (Mr. Bennett) to add what I have to suggest as subsection (e) of his motion now before the house:

(e) the methods and system that have prevailed in the distribution of common stock, preferred stock and the flotation of bonds by brokers, trust companies and banks for the development of industry in Canada.

[Mr. Veniot.]

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I wish to voice my endorsation of the motion now before the house. I feel inclined to believe that had the motion come from this corner of the house we might have been accused of attempting to upset some of our established institutions, and of reverting to socialistic and bolshevistic tactics. However, coming as it does from the government side of the house I suppose we may put it down as an act of statesmanship. Therefore I wish to commend the government upon its act of statesmanship in introducing the motion now before us.

My purpose in rising is to put a question to the government concerning a matter debated in the month of November, 1932. At that time I spoke concerning conditions of wages and labour in the textile industry. During the course of the debate the Minister of Trade and Commerce (Mr. Stevens) rising in his place stated that the government was prepared to submit the whole question of wages and conditions in the textile industry to the tariff board, when that board had been appointed. The tariff board has been appointed, but I am not going to ask the Prime Minister to refer this subject to it. If the committee now under consideration is appointed, and no doubt it will be, would the Prime Minister tell me whether or not the question of labour conditions and wages received by those employed in the textile industry will come under the purview of the committee and whether such committee will be able to make a thorough investigation into conditions now prevailing in that industry?

Mr. ROBERT McKENZIE (Assiniboia): Mr. Speaker, in the few remarks I wish to make it is not my intention to speak in opposition to the principle of the resolution. As a matter of fact I believe I may claim that the Prime Minister (Mr. Bennett) has adopted my child, because last year I moved a resolution along the lines of the present one. To-day it appears on the order paper as number 23 in the notices of motions. It would appear therefore that in this instance the government is just a year late in considering the matter. I do not know but what the government would be well advised to accept the resolution I have on the order paper instead of this one which the Prime Minister has placed before us because I believe that it is quite possible to accomplish what is desired a little sooner by my resolution than by this cumber-

some method of first appointing a parliamentary committee to make an investigation with the hope of having it all completed in time for legislation to be passed at this session.

My reason for presenting my resolution in the first place a year ago was that, first of all, I thought of the farmers and the labouring people throughout the country who are in such dire distress owing to the present economic conditions, and because of those conditions, which still prevail, it is surely time that the farmers who produce wheat, for instance, should be able to get part at least of the profit that comes from the growth of that wheat. The farmer prepares the ground, sows the crop, reaps it and markets it, and after doing all that, he makes the least of anybody who has anything to do with the handling of that wheat. I think that the time has come when the men who labour on the land should have an opportunity of making a decent living. The same thing that applied a year ago still applies to live stock, poultry and all the other farm products. I was thinking principally of farm products when I introduced my resolution a year ago.

The resolution which the Prime Minister has presented to the house deals in paragraph (a) with the effect of mass buying by departmental and chain store organizations; (b) deals with labour conditions; (c) deals with the flour milling industry and (d) with the methods prevailing in the marketing of live stock and animal products for domestic consumption and export. That probably goes far enough, but what I am concerned about is whether the matters which I brought to the attention of the house a year ago and the conditions I pointed out then as existing throughout the country will be fully gone into by this committee of inquiry. When that committee meets, whoever may be on it, when some person introduces something along the lines I have just suggested here with regard to farm products, I do not want some member of the committee to reply that the scope of the committee's reference does not permit them to go that far, and thereby be precluded from introducing that subject.

I am concerned to know just what is behind the fact that the five and ten cents a pound which the producer gets for wool to-day becomes two dollar per pound clothing when it is processed, and why it is that hides that are selling for as low as fifty cents apiece are made into ten and twelve dollar boots, and equally expensive harness, sole leather, lace leather and other products. I want to know not only the facts about the flour milling industry but also why some of the breakfast foods that are so extensively used are so expensive to buy when grain is at its present low price. I want to know why it is that these conditions prevail and if the scope of this resolution and of the reference that will be made to the committee will allow of all these matters being taken up and investigated fully by the committee.

Last year I suggested that tariffs and combines were largely responsible for those conditions. My right hon. leader has dealt with the question of combines. I believe that tariffs and combines are largely responsible for the conditions that exist, and I should like to see that matter fully investigated.

I believe, as has been stated before, that there is considerable to be investigated in the textile industries in this country. My information is that the textile industries are fairly busy, but that the wages are lower than they have ever been before. If that is the case I think there should be an investigation into that industry.

I think inquiry should also be made whether or not there are industries in this country that should never have been given protection —exotic industries. If there are such, I for one am willing to let those industries be discontinued if they are costing us more through their tariff protection and the high prices they are charging for their products than they are returning to us in salaries and services.

During the last two years the expression has been widely used in this country—Buy made-in-Canada goods. We remember that the Minister of Trade and Commerce (Mr. Stevens) a few years ago got out his creed largely devoted to promoting that idea. I believe that that Made-in-Canada slogan has cost us a great deal of money in this country. If we can buy cheaper from other countries, then I believe that industries that cannot make a living in this country without high tariff protection should be allowed to go to the wall. Our farmers and our labouring people must have some relief, and that very soon.

In conclusion, Mr. Speaker, I am willing to support this resolution in every way possible if I can be assured that it will be wide enough in its scope to take in all that I have suggested and as much more as possible.

Mr. J. H. STITT (Selkirk): Mr. Speaker, when I came into the house this afternoon I did not intend to participate in this debate. I desire, however, to congratulate the govern-

ment on the motion which is now before the house. I believe that no action which the government has yet taken has so impressed the electorate of this country that this government has a real concern in the affairs of the people and especially for the producers in Canada.

I want to support the request made by the hon. member for Queens-Lunenburg (Mr. Ernst) that fish products be included within the ambit of this motion. In my constituency of Selkirk the fishing industry is a very important one. Last year the provincial government investigated that industry and found that conditions in it were, to say the least, deplorable. As the market for our fish products in Manitoba is largely abroad, most of our markets being found in the United States of America, it is especially important that this commodity should be included in the inquiry. We found for example, in that investigation that the fishermen of lake Winnipeg, a matter of forty or fifty miles from the city of Winnipeg, were being paid the paltry sum of 1½ cents a pound for whitefish which was retailing in the large departmental stores of Winnipeg at from 12 to 15 cents a pound. The fishermen in my riding were practically reduced to a condition of wage slavery, and no action that this government has taken will find more support in my riding than this proposal to investigate these conditions.

I may say for the benefit of the Minister of Trade and Commerce (Mr. Stevens) that resolutions have been passed throughout this dominion supporting and congratulating him in the stand which he took in the speech he made recently in regard to trade conditions within our own country.

Let me also emphasize a point in relation to the labour conditions prevailing. It is certainly time that this house, under the power which it has in regard to the general peace, order and good government of the country, should really take hold of the question of the labour conditions existing in Canada. I find that last year, even in regard to supplies which were ordered by the government, those people in the province of Manitoba who desired to tender for such supplies could not compete with the province of Quebec, where there was no minimum scale of wage. There ought to be a minimum wage in this country, and I believe there ought to be a minimum price. The fish producer certainly cannot dispose of his product at one and a half cents per pound, nor can the live stock producers throughout the country supply meat products to the large packing industries at prices which only mean serfdom on the land. Just realize what one and a half cents per pound means to our farmers!

I cannot speak in too eulogistic terms of the government's action, but before closing I might say a word with regard to the objection put forward by the leader of the opposition (Mr. Mackenzie King) to this matter being discussed by this honourable house. If I rightly understood his remarks, he said that we had a Combines Investigation Act and that this matter ought to be referred to a departmental official. I submit that this is a matter that should come before the supremacy of parliament. I ask the right hon. gentleman: Does it not look as if this government really meant what it proposes to undertake, when it comes before parliament and asks the supreme power of this house to investigate a condition which should not be relegated for inquiry to any mere official.

We have heard speeches from the opposition regarding the contemptuous way in which parliament has been treated. Surely in a matter of this kind, which concerns the whole of Canada's industrial and commercial life, the supreme power of parliament ought to be invoked and the powers of this house should be utilized, to ascertain the fundamental facts existing. I believe the people of Canada will recognize that the Prime Minister and his government mean business, and I congratulate them on their stand.

Hon. CHARLES STEWART (West Edmonton): Let me say at the outset that so far as this resolution goes I am heartily in accord with it. I do not intend to discuss what is contained in it nor to express any opinions as to what should be added, but I must make this observation. Inquiries of this sort never amount to a great deal so far as parliamentary committees are concerned. Hon. gentlemen need only refer to the investigation held last year, and the statements made in this house last night by the hon. member who had asked for that inquiry, with respect to milk. Everyone knows how futile it has been—even the suggestion made by the committee. I am beginning to think that if we are to remain under the blight of high tariffs in Canada, excessive tariffs, then the only thing to do is to follow the course pursued by previous governments in dealing with railway matters.

Inquiries were made in the House of Commons into freight rates. Hon. gentlemen have access to Hansard and they can ascertain how far we succeeded in obtaining redress. And

we in western Canada have a very vivid recollection of the summary manner in which we were treated by the railway companies until finally parliament appointed a railway commission and gave them wide powers of control over every activity of the railways. Since that time, it is true, there have been individual complaints, but in the main the people of Canada have had a court to which they could appeal with some hope of getting redress and receiving decent treatment.

So far as this inquiry is concerned, I say, let it go on. We are not well equipped however to deal with the matter as proposed. Despite the fact that we have many eminent lawyers in the House of Commons, we are not well equipped for obtaining evidence, and the time is too short to get it. Take the matters mentioned in the resolution itself: it would take a whole year to arrive at a conclusion which would enable us to provide relief. However, I commend the government for their effort in starting this inquiry, but I do say that in my judgment we shall have to come to some organization similar to that which we have set up for the supervision of the great railway corporations in this country.

If we are to have a few large departmental stores, and if, as we observe day by day, we are to see the manufacturing industry of the country getting into fewer and fewer hands, with the result that the small retailer has to go out of business, then in order to cope with these intensive organizations we shall have to set up some body clothed with authority to deal with the question of price fixation as practised among these institutions. Let me refer my fellow farmers to one—and I am not going to blame this government in the matter, because I do not believe that either this or any other government, either by tariffs or otherwise, can control the farm implement industry in Canada and the United States as that industry is to-day organized. It has in its own hands a system of price fixation and it is impossible to get at it unless somebody clothed with authority is empowered to investigate such matters as investment, plant, cost of manufacture and the prices they can reasonably expect to receive from the consumer. Unless you make competition free—which I am not even going to advocate—then you will have this evil with its ever-increasing effect upon the purchasing power of the country.

So far as this inquiry is concerned, we shall probably uncover some things, but they will be mighty few; and then the difficulty will be that after all, if parliament is to do anything about it, there will have to be set up, as I say, someone with authority. Personally I believe that we would go further by an inquiry under the Combines Investigation Act; but so far as I am concerned, I am in favour of the investigation. I do want, however, to see something result from it. What effect has the milk inquiry had upon the fixation of prices, and how much have the producer and the consumer been helped? I am afraid that is about where we shall find ourselves in this inquiry.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I had not intended taking part in the debate, having expected that the resolution would commend itself to the house and be received without any great discussion. I can assure the house however that the resolution, as presented by the Prime Minister, has certainly been offered in no partisan spirit whatever; it has been offered in the hope and, as I have intimated, the expectation that hon. members generally throughout the house might at least have viewed this effort as non-partisan, directed solely to securing some solution of some of the most perplexing problems with which this and indeed other countries are confronted at the present time.

I suppose it is quite unnecessary for me to indicate this comparison. Reference has been made during this session to the efforts that are being put forth south of the line, and I received this morning a pile of codes, thirty or forty in number; but it must be obvious to anyone who has carefully observed the efforts to the south of us how many difficulties and perplexities are confronting the people there. It is perhaps one of the most complex and intricate tasks any government has undertaken. The same thing obtains here, perhaps in a lesser degree, because this country is not so large and its businesses are not so extensive. But the desire of the government—and I can say this with absolute assurance—is that this committee, purposely named as a small one, should get to grips with some of these baffling problems.

In the first place, let me point out to the house that a very sharp problem of jurisdiction obtrudes itself into almost any of the measures that are referred to in the resolution, and the government of the day has reviewed some of these problems with the desire to do something, but almost at every turn one takes in dealing with matters, for instance, of civil rights or anything that is included within the ambit of that very broad term, we are up against provincial jurisdiction. Then there is the question, for example, of wages which, as everyone knows, comes

under provincial jurisdiction. We could very easily have taken shelter under that; we could have said: We are very sorry for these things but the matter is under provincial jurisdiction and we could have handed it over to the provinces. But the government has recognized that so acute have some of these problems become, with one province having one type of legislation dealing, for instance, with the minimum wage question, another province having another standard or type of legislation, some provinces having no legislation at all and all of them competing one with another in manufacturing and producing within the confines of Canada, that a very difficult problem is presented. I am not going to suggest this afternoon that these questions are simple or easy. They are most difficult and this committee will have a most important and intricate task presented to it when this resolution passes and the committee is set up.

The leader of the opposition (Mr. Mackenzie King) was very unhappy in his approach to this question and I was disappointed in his address. The other members who have spoken have been a little more generous and moderate, but the right hon. gentleman was most disappointingly critical, and I shall endeavour to show in one or two instances where he has been unfair to the government. I regret approaching this problem in rather a combative spirit because I had hoped it would be unnecessary, but one cannot allow to go unchallenged some statements made by him. He said that his predecessors, the Union government, repealed a perfectly good statute and substituted for it the Board of Commerce and the other bill which companioned it in 1918 or 1919. He said that they carried on under this legislation for a couple of years; that nothing was done and that then the legislation was declared ultra vires of the Dominion parliament. That is quite true, but whether it was a wise or an unwise act, it was a sincere one and a genuine effort at that time to deal with then existing conditions which were almost the reverse of those that prevail to-day. The condition which confronted the government of that day was rapidly rising prices of commodities in Canada and throughout the world with the tendency on the part of producers of commodities—and I am speaking not so much of natural as of manufactured products—to follow the rising market rather with accelerated speed, shall I say, thus boosting prices to an unreasonable extent. My right hon. friend will remember how he and his whole party fixed their campaign in 1921 on the one outstanding war cry—the high cost of living.

Mr. MACKENZIE KING: The tariff.

Mr. STEVENS: In other words, commodity prices, farm prices, raw material prices and prices of manufactured goods were all on the rise and there was a tendency for the cost of living to go exceedingly high. It will be recalled that one of the main things that brought the matter to a head and resulted in the establishment of a board of commerce was the price of sugar. I am subject to correction by any hon. member if I am wrong; I believe the price of sugar went up to twenty-five cents a pound at that time.

An hon. MEMBER: Twenty-seven cents.

Mr. STEVENS: Someone says twenty-seven cents. I know it went up to an absurdly high price. It will be recalled that wheat, for instance, went to something like $3.40 or, indeed, to almost $4 a bushel on one occasion, and the wheat board was appointed for the purpose of keeping the price of wheat down to a moderate and reasonable level and controlling what was a rising market in that particular commodity.

Conditions to-day are just the reverse of what they were then. Further, the right hon. gentleman says: Deal with it under the Combines Act. Let me turn again to the United States. Since the late Theodore Roosevelt started his compaign against the combines about 1900 roughly speaking, and the Sherman Act and other acts were passed, the United States has operated under them until recently. What was the basis of those acts? Simply that where businesses and industry got together in combination, they were at once suspect. That type of legislation was set up to prevent businesses from getting together and fixing prices. That was really the genesis of that legislation.

Mr. MACKENZIE KING: The United States legislation, not the Canadian.

Mr. STEVENS: I am speaking of the United States, as my right hon. friend, if he will permit me to finish my paragraph, will see. That legislation was in force and was the directing legislation of the industrial life of the United States until last summer. What has happened since then? Under the present president, Mr. Franklin Roosevelt, a gentleman of the same name, there is a complete reversal of that principle. Under the code system and under legislation passed by congress he is making it obligatory for industries to get together, imposing upon them the

duty of arriving at a fixed fair price. There is a complete reversal of the legislation in that country that has been controlling trade and industry for the last thirty-two or thirty-three years. Therefore my right hon. friend must surely recognize that when he appeals to the house, as he has done, to disregard the suggested study to which I shall refer in a moment, and points to the Combines Act of Canada, I submit that he is making an entirely retrograde movement.

Mr. MACKENZIE KING: My hon. friend will recall that the Canadian Combines Investigation Act proceeded on a basis entirely the opposite to that of the anti-trust legislation in the United States. The basis on which our legislation was founded is similar to that on which the present president of the United States is proceeding.

Mr. STEVENS: No.

Mr. MACKENZIE KING: I know; because I drafted and introduced the act, and I am familiar with its provisions.

Mr. STEVENS: The trouble with the right hon. gentleman, if he will permit me—I do not wish to be rude—is this: certainly he introduced this act in 1910 or 1909 and he is so wrapped up in the historic fact that he is the father of this legislation, he thinks there is no other type of legislation necessary. I have often heard him refer to this legislation. I was one of the few members in the house in 1923, I think it was, when this modern act was introduced by his government and I pointed out that in my opinion it was wrong in principle. I have always argued that there is no crime in association, whether it be an association of grain growers or of shoe manufacturers or of retailers or of any other class of society—

Mr. RHODES: Or labour.

Mr. STEVENS: Or labour, providing such association is not used for the oppression of the public generally.

Let me point out to the hon. gentleman where he is in error and where he was not, I think, fair to the house in saying that under section 18 of the act all the powers we are asking for in this resolution for commissions to make examinations—and I shall elaborate that in a moment—could be exercised by the registrar. Therefore he says there is no need for any more legislation, take the legislation you have; inferring of course, "it is my legislation and this government is not trying to enforce it."

Mr. MACKENZIE KING: We are speaking about investigation now, not legislation.

Mr. STEVENS: He said quite clearly, You have the legislation in the Combines Investigation Act, use it. That is the effect of what he said. Here is the clause that he cites, section 18:

> All provisions of the Inquiries Act not repugnant to the provisions of this act shall apply to any inquiry or investigation under this act, and the registrar and every commissioner, shall have all the powers of a commissioner appointed under the Inquiries Act, including the powers which are thereby authorized to be conferred by the commission issued in the case, except in so far as any such powers may be inconsistent with the provisions of this act.

What are the provisions of this act? The powers that this act confers are in section 11. That section sets forth that any six persons, British subjects, who are of the opinion that a combine exists or is being formed, may apply in writing to the registrar for the investigation of such alleged combine, and so on. In other words the whole act is directed at one thing, that is the possible or alleged or presumed existence of a combine. That is not what we are concerned about alone.

Mr. MACKENZIE KING: My hon. friend says "and so forth" but, if he will read a little further so as to include the "and so forth" he will find that an inquiry can be made whenever the minister so directs, not dependent on the six persons.

Mr. STEVENS: But not inconsistent with this act. I do not wish to be inveigled into reading a great deal, but anyone who has given the most casual thought to the subject knows what the definition of a combine is according to this act. But the point I am making is that this power of inquiry under the Combines Investigation Act would be so restricted that the objectives that we have in mind in this resolution could not be achieved at all. Before we could go and make the inquiry that we have in mind regarding sweat shop conditions, using that term in a general way, regarding the relations of firms in the flour-milling industry to bakeries, the purchasing methods of department stores, and so on, we would have to have powers not provided in this act at all.

The right hon. gentleman was peculiarly critical of our proposal in subsection (a):

> . . . the effect of mass buying by department and chain store organizations upon the regular retail trade of the country. . . .

He says that that is not what is wanted He says that what is wanted is an inquiry into

the great manufacturing industries of Canada. My concern for the moment is not for the great industries of this country, because they are not suffering particularly. They may be suffering from the general condition of depression. But the industries that we are considering now are the small industries that find themselves manufacturing for large organizations who by the exercise of mass buying power are able to dictate to those industries what their prices shall be. The right hon. gentleman inferred, indeed he stated, that it was the large manufacturing industries of this country that fixed prices, therefore, he says, I would invoke the Combines Investigation Act. But that is not what we are concerned about. It is open to any six people in Canada to make application where they consider there is an abuse of that kind of power. That is provided for by the Combines Investigation Act. But there is no legislation, either passed during the right hon. gentleman's regime or this, that protects or gives a chance of competitive existence to the decent small industry, of which there are thousands in this country, industries that cannot, by the widest stretch of imagination, be classed as combines or vast manufacturing organizations. It is to the assistance of industries of that kind that we desire to go. Not only to them, but to them in so far as they are observers of the law. It is to find out other industries competing with them in defiance of law that we feel it necessary to have this inquiry. Therein lies the entire difference between what is commonly known as the large overbearing industry and the class of small industries that I have mentioned.

Let me draw the attention of the house to what in my estimation is really one of the chief economic problems of industry and commerce to-day, not limited to Canada but common to the whole world; that is the practice that has developed in the last three years in particular of selling goods at less than cost of production. There is scarcely a country in the world that is not indulging in that practice to a certain extent. Indeed many countries are doing it to a degree which if they pursue it much longer will probably bring them to national bankruptcy. There are many industries doing it which also are approaching bankruptcy. Now I admit—I see my hon. friend the member for Weyburn (Mr. Young) getting very busy when I make that observation—I admit that there are people, such as my hon. friend, who hold to the doctrine that it is a contribution to the welfare of humanity if goods are got for less than they are worth. But I want to point out that that cannot be.

[Mr. Stevens.]

It may be a fortunate thing for an individual if he can get an article very cheap at some moment. But if that practice of selling goods at less than the cost of production becomes very prevalent obviously someone else, in some other place it may be, or in some other way, is paying the cost. It has to be absorbed somehow. I do not wish to go into details; the Prime Minister said very properly a few minutes ago that this is not the time for that. But it will probably be paid, as is indeed the case in many countries that are selling goods at less than legitimate cost—I will add that word—by cutting down the wages of employees to a starvation point and thus penalizing those employed in the industry. What we have in mind is to try to find out whether or not the indulgence in unfair and unethical practices is prevalent in this country; to find the causes, to ascertain as far as we possibly can what remedies can be invoked, and, as the resolution very clearly states, to report to the house from time to time the findings, together with recommendation of such measures as in the opinion of the committee may be considered necessary to secure as far as possible fair and just practices in the distribution and marketing systems of Canada.

Now, Mr. Speaker, just a word further. The hon. member for West Edmonton (Mr. Stewart) I think was very fair in his remarks in the main. He said, however, that he feared it would take so long for this committee to make the investigation that it would be unproductive. I think perhaps his criticism in that respect is not to be refuted too hastily, I can understand that he might be quite sincere in that view. However, it will be noted that this resolution has divided up under certain heads the various types of investigation to be carried on, and there is no reason why these should not be carried on concurrently. Another thing; it is not suggested here that a royal commission should be appointed to follow up what this committee is doing, as the right hon. gentleman who leads the opposition repeatedly stated. That is not the idea, and it is not so stated in the resolution. If the right hon. gentleman would deign to read the resolution he would see that it does not contain that inference. Here is what the resolution says:

> That the committee shall have power to send for persons, papers and records, and the further power to request the appointment of a commission or commissioners under the Inquiries Act, to secure evidence to be presented to the committee by such commission or commissioners.

Mr. MACKENZIE KING: That is a royal commission.

Mr. STEVENS: My right hon. friend knew, when he used the term "royal commission" that he was implying and leading the public to believe, to the extent that they may read his remarks, that we were simply seeking to evade the issue. In fact that is what he said.

Mr. MACKENZIE KING: Not at all.

Mr. STEVENS: My right hon. friend so stated. He said that we were seeking to evade the issue, that this committee would carry on its work for a long time and then a royal commission would be appointed. I am trying to make clear to him what the resolution states and what is the intention. The intention is that while the committee is sitting, such additional evidence as may be required can be collected by the commission or commissioners so appointed. That will meet the very just apprehensions of the hon. member for West Edmonton and will facilitate the work of the committee.

Mr. MACKENZIE KING: That is a royal commission.

Mr. STEVENS: From the evidence so collected and the evidence heard by the committee itself it is sincerely hoped that the committee will be able to report to the house as I stated a moment ago, measures that will meet the situation.

My hon. friend from North Winnipeg (Mr. Heaps) referred to a debate which took place about a year and a half ago with regard to the wages paid in industries that enjoyed certain protection under the Canadian tariff. My hon. friend quoted me correctly from page 1325 of Hansard for November 18, 1932. At that time his suggestion was that the question should be referred to the tariff board, and he quoted me as saying:

> I am authorized to say this, that it is the intention of the Dominion government that as soon as the tariff board is organized, or as soon thereafter as possible, this whole question shall be reviewed by that board.

The hon. gentleman asked what was being done in that regard. In the first place let me say that this point is being reviewed by the tariff board in each case that comes before it in the ordinary procedure. But when it comes to the question of referring to the tariff board a problem such as is indicated in this resolution, it is felt that the situation will be much more effectively dealt with by a committee of the house than by a reference of the abstract question to the tariff board. But the hon. gentleman can rest assured of this, that any time an item is under survey or a question arises regarding the wages paid in Canada by a given industry enjoying protection under our tariff, the board will take due cognizance of such matters and investigate them.

Mr. HEAPS: On that point I should like to ask just one question. I am under the impression that under the resolution now before us this committee, when appointed, will have power to investigate such industries as come within its purview. Of those I should think the textile industry would be one, and I wanted the interpretation of the government on that point.

Mr. STEVENS: I cannot speak for a parliamentary committee, of course, because it must be recognized that such a committee is a power unto itself subject to its order of reference. But giving the ordinary interpretation based upon some experience in these matters I would say that any industry that might be involved in the cause of the large spread between prices received for commodities by the producer and prices paid by the consumer, or that is involved in the system of distribution in Canada, or that comes under any of the different items, certainly would come within their purview if in the opinion of the committee it was thought desirable to go into that matter. But the committee itself must be the determining factor as to whether or not they investigate that particular industry.

Mr. HEAPS: May I point out to the minister that paragraph (b) deals with the labour conditions prevailing in industries supplying the requirements of department and chain store organizations. Under that heading I would presume that since these organizations are large purchasers of textiles that industry would come within the purview of the committee.

Mr. STEVENS: I do not think there is any doubt about it, but I hope my hon. friend will not ask me to make a ruling in advance on behalf of the committee.

Before I take my seat there is one other point to which I should like to refer. In his remarks the right hon. gentleman referred to the paucity of action by the present government under the combines act. The impression he sought to leave in the mind of anyone not informed in this regard, I am sure, was that we had simply ignored the act. As a matter of fact, since this act was passed in 1923 there have been 330 cases dealt with, and of that number 142 cases have been taken up since this government took office. I think that is a fair answer to the right hon. gentleman's castigation in that respect.

Mr. STEWART (Edmonton): Personally I remember only a very few cases in which recommendations were made for investigation.

Mr. BENNETT: The registrar can investigate without a recommendation.

Mr. STEVENS: The registrar can take action himself.

Mr. STEWART (Edmonton): I only know of three cases in which investigations have been made.

Mr. STEVENS: I happen to have a few in mind that I can recall, though of course at a moment's notice I cannot give my hon. friend a complete list. The figures I gave are accurate so far as the totals are concerned. Of course many of these investigations, which are initiated by the registrar either at the instigation of six or more citizens, on his own initiative or on the instructions of the minister, are disposed of in a short time. It is either shown that combines do not exist, or that the charges have no foundation, or that some correction has been made. I recall at the moment investigations into moving pictures and radio tubes, the bread inquiry, the fruit inquiry, the tobacco investigation, the British anthracite coal inquiry and the investigation into rubber footwear, which I believe is still proceeding, as well as the inquiry into the price of gasoline. These are a few of the major matters which come to my mind at the moment. Let me say this to the house without hesitation, however, that as far as this government is concerned the combines act has been enforced impartially, and there has been no interference with the officials charged with duties thereunder. The Minister of Labour (Mr. Gordon) is not in his seat, but I can say this from personal knowledge. The act has been enforced just as impartially as it was when my right hon. friend led the previous government.

I have spoken a little longer than I first intended, Mr. Speaker, and I should like to conclude simply by repeating that we hope to have a committee—in selecting the members of which the right hon. gentleman will join—that will go earnestly and sincerely into this whole series of questions, which are very broad, with one object in view, that of trying to compose some of the difficulties that exist with regard to constitutional rights and to find measures that are within the power of this parliament to deal effectively with the abuses and difficulties with which trade and commerce and industry are confronted at the present time. As I said in the opening of my remarks the government offers the resolution sincerely, in the hope and expectation that the house will endorse the effort and lend its cooperation as soon as it is possible to do so.

Mr. MARCIL: I should like to ask the minister a question. Would the government include the question of fish in this resolution, as suggested by the hon. member for Queens-Lunenburg (Mr. Ernst)?

Mr. STEVENS: I think it is covered already, but the Prime Minister has just intimated that he will include fish.

Mr. MARCIL: Perhaps I might be permitted to say a word or two concerning coal combines in the province of Quebec, because some time ago a great deal of public attention was directed to it. Under the Combines Investigation Act an investigation was carried on by the registrar, following which a complete record was sent by the Minister of Labour (Mr. Gordon) to the attorney general for the province of Quebec, stating, "It is for you to act now." About thirty years ago there was a member in this House of Commons, our old friend W. F. Maclean, who pleaded in committee that the weakness of the federal government was that enforcement of at least three-quarters of our legislation rested with the provinces. If the Minister of Labour, on the occasion of the coal inquiries, had sent the record to the attorney general of the province without word or comment, and the attorney general in turn had taken no action, that would have been the end of the whole matter. In this instance shall we be in the same position?

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I rise primarily with the intention of supporting the suggestion of the hon. member for Queens-Lunenburg (Mr. Ernst) that an inquiry may be made into the spread between the amount received for fish by the primary producer and the cost to the consumer. The Prime Minister (Mr. Bennett) has been good enough to indicate that the suggestion of the hon. member will be included within the scope of the committee's inquiry, and to that extent I believe the thanks of the house are due him.

Not long ago I was in a retail establishment of a city of about 40,000 people and I saw boneless codfish, a very succulent fish I may say, and one of which I am very fond, offered for sale at 40 cents per pound. I was simply astounded that the proprietor would have the temerity or nerve to ask the consuming public to pay that price for a commodity for which the producer received probably only three or four cents.

Mr. MARCIL: Some of my fishermen get two cents for it.

Mr. HANSON (York-Sunbury): Yes, I have no doubt the hon. member for Bonaventure (Mr. Marcil) is justified in his statement. I am quite aware that there is an undue spread between the price received by the primary producer and that paid by the consumer on some of our staple commodities, one of which is fish. Reference has been made to the milk investigation of last year, and further reference to the speech made by the hon. member for Brome-Missisquoi (Mr. Pickel) who had the courage and distinction last year of bringing the matter before the House of Commons and the agriculture committee. I am bound to admit that few results have ensued from that investigation—not nearly enough. At all events a great deal of publicity has been given to the situation, and wherever there is publicity in such matters there are bound to be results which may not be quite apparent at the moment.

Let me point out to you, Mr. Speaker, and through you to the hon. members of the house, the fundamental weakness of the whole position, namely that of jurisdiction. That matter has been alluded to briefly by the Prime Minister and referred to at greater length by the Minister of Trade and Commerce (Mr. Stevens), who has just taken his seat. After the decision of the Supreme Court of Canada and that of the Judicial Committee of the Privy Council we cannot in this house, I am satisfied, pass legislation which will be absolutely effective in bringing about the results we desire. We shall therefore have to find some other method besides that of direct legislation. For instance, the remedy for the situation in respect to milk in the province of Quebec is directly in the hands of Mr. Taschereau and his government. What has he done? He has done just what was indicated last night by the hon. member for Brome-Missisquoi: he has appointed some kind of milk board, without any power, to go round and tell the farmers what they should do.

I am happy to be able to point out that recently some action has been taken by the government of the province of Manitoba. Speaking subject to correction, I am told that in that province, having regard to the fact that under subsection 13 of section 92 of the British North America Act the jurisdiction in respect of property and civil rights, the fixation of prices and all that sort of thing, lies entirely within the ambit of the province's control, that province has declared milk to be a public utility. That is a concrete way in which this matter could be considered. I am satisfied that in this parliament we have no power, even were we so disposed, to set up a code similar to the N.R.A. of the United States. By the way, if we ever do attempt anything like that, I certainly hope we will not go to the extent the United States has gone. Let me tell the house something about the milk situation under the N.R.A. Just a year ago I was in the republic to the south of us, and at that time the price of milk to the consumer in the city in which I happened to be was ten cents a quart. To-day, under the N.R.A. milk code the price to the consumer is ten cents per pint and seventeen cents per quart. I want to know where the consumer gets off, under those circumstances. I have every sympathy for the farmer, but we must keep the balance even. In the United States they are not keeping the balance even. What labouring man, with a family of small children, could pay seventeen cents a quart for milk?

Let us face the facts before us. Let us not, as the leader of the opposition (Mr. Mackenzie King) has at least inferentially done to-day, damn the underlying principle of this motion. I am not saying the Combines Investigation Act is not good. I believe the Minister of Trade and Commerce has definitely distinguished between the two objectives before us. Let us all put our shoulders to this resolution and see if we cannot accomplish something to take care of an evil which we all admit and one which I believe every hon. member is sincerely anxious to remedy. No doubt there is too wide a spread between the price received by the primary producer and the cost to the ultimate consumer. We have that condition in connection with many staples of life, of which milk is one. There can be no doubt about that. I suggest that the house leave out partisan views—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): Hon. members opposite may laugh, but I should like to tell them that I am not half as partisan to-day as I was when I entered this House of Commons.

Mr. YOUNG: You are getting wiser.

Mr. HANSON (York-Sunbury): No, but perhaps I am getting older and becoming more mature. The primary reason is that while a member of this house I have had the honour to represent the whole of my constituency, having Liberal and Conservative supporters behind me; consequently I have

learned to believe that I represent not only the Conservative but the Liberal electors of my constituency. They have approved of my course. Therefore I have grown mellower and less partisan than I used to be. We ought to wish the committee well. In some slight degree I have been able to visualize the task before it. I have no hope that the committee will be able to complete its work to the extent of one hundred per cent, but I have hope that some good may come from its inquiry and that some remedy may be afforded the primary producer of Canada, whose position to-day is one which none of us would like to contemplate in his own business.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I have only a few words to say. I should hope that the hon. member for York-Sunbury (Mr. Hanson) would have lost his partisanship sufficiently to have forborne reference to acts of a provincial government which happened to be Liberal. I do not think he showed evidence of complete conversion from partisanship. However, we all accept what he says, that he is getting better all the time, that he is not as bad as he was, and we do hope that the improvement will continue.

The Prime Minister (Mr. Bennett), the Minister of Trade and Commerce (Mr. Stevens) and my hon. friend have warned us not to expect very much from this inquiry because of these constitutional questions, which by the way are brought up very frequently on the other side of the house now as compared to what they were a few years ago. The good old constitution is doing valiant service time after time as an excuse on the part of our friends opposite for not taking action, but notwithstanding that, to use my hon. friend's expression, the project is "being damned" in advance to some extent by the suggestion that we cannot do much, I unite with those who think that we at least should make a try, and that we ought to get together to bring out the facts with regard to the major matter dealt with in this resolution, and that is the spread between the amount that is received by the producer and the amount that is paid by the consumer. After all, as I understand it, that is the teeth and the backbone of this resolution. It may be found that there are false impressions abroad as to the prices which the producer is receiving and the amount which the consumer is paying. It may be that there are explanations for it. It would be well if any false impressions are removed as a result of that inquiry. It would be well also, if these impressions are decided to be well founded, that remedial action be taken in so far as it can be taken by this house.

I want to join with my hon. friend from Queens-Lunenburg (Mr. Ernst) and the others who have spoken with regard to including fish products as a subject of investigation in connection with this inquiry. There is an impression abroad in connection with this industry that the spread is far too great. Whether that impression is right or wrong this inquiry ought to bring out. Fishermen may be getting 75 cents to $1.50 a hundred pounds for their fish, while the consumer is paying a great many times that amount. One hon. gentleman opposite spoke this afternoon of the price of fish in Winnipeg. I heard that one day in Winnipeg fish was selling at 25 cents, and turkey at 22 cents a pound. Now it is pretty difficult for people who do not really understand what the luxuries of life are to be persuaded to buy fish at 25 cents when turkey can be got at 22 cents.

Mr. STITT (Selkirk): May I correct my hon. friend? You could buy turkey in my constituency last Christmas at from 6 to 10 cents a pound.

Mr. RALSTON: That just shows the value of turkey as compared with fish as food.

With regard to the matter of an inquiry under the Combines Act I do think, with all deference to my hon. friend the Minister of Trade and Commerce that the first paragraph of this resolution which provides for an inquiry into mass buying by department and chain store organizations certainly sounds very much like the same sort of thing which is aimed at by the Combines Act. The Combines Act expressly provides for an inquiry into combines which have operated "or are likely to operate to the detriment of or against the interest of the public, whether consumers, producers or others," and which result from any "actual or tacit contract, agreement ,arrangement, or combination which has or is designed to have the effect of:

(i) limiting facilities for transporting, producing, manufacturing, supplying, storing or dealing; or (ii) preventing, limiting or lessening manufacture or production; or (iii) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation; or (iv) enhancing the price, rental or cost of article, rental storage or transportation . . . ; or (vi) otherwise restraining or injuring trade or commerce.

It does seem to me that mass buying by departmental store organizations comes dangerously near to that provision of the Com-

bines Act, and if that is so, my leader is quite right in suggesting that action may be taken under section 18 of the Combines Act.

There are other provisions in the resolution which seem to pick out particular industries. One has a little difficulty in finding out just exactly what industries are aimed at. The resolution is in most general terms in the first section, that a committee be appointed to inquire into the large spread and into the system of distribution of farm and other natural products, as well as manufactured products. Then the resolution comes down to mass buying. That is covered in paragraphs (a) and (b). Then in paragraph (c) the flour milling industry is particularly picked out, and (d) has to do with:

—the methods and system prevailing in the marketing of live stock and animal products for domestic consumption and export, and the extent to which the present system affords or restricts opportunity for fair returns to producers.

I understand that fish will be added to live stock and animal products, which are specifically mentioned in paragraph (d). I would rather think, after all, that the government is limiting this inquiry to chain store buying and its effects on labour conditions, to the flour milling industry, to live stock and animal products, and fish products. As has been said, there are a good many industries left out of the ambit of this inquiry when we come to examine the particulars of the resolution.

I submit, Mr. Speaker, that we should try to see what this investigation will bring forth, so that at least we shall have the facts upon which to base some conclusion, and I would hope that the investigation will be not only thorough but rapid in order that we may have its results before the conclusion of this session.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, before the amendment was suggested to paragraph (d) of this resolution there was no doubt in my mind that an opportunity would be given to investigate the spread in prices between what the producer receives and the consumer pays in respect to any commodity—a general investigation; but since the amendment has been made adding fish, it seems to me that a very limited interpretation is being given to the resolution.

Mr. BENNETT: It is only in paragraph (d) that that is suggested. It is not in the general paragraph; it is in sub-paragraph (d). So it does not limit it.

Mr. SPEAKER: I would point out to the hon. member for Swift Current that there is no amendment before the house regarding fish.

Mr. BOTHWELL: I understood that the Prime Minister suggested that he was willing to allow an amendment to be made.

Mr. BENNETT: At the appropriate time I was going to direct attention to the fact that it is included in the words that are now there, but if it is desired to add the word "fish," for abundant caution, I am content that it should be put in. That was all.

Mr. BOTHWELL: So we can take it that so far as this resolution is concerned we are to have a general investigation into the spread in prices on all commodities which the committee may wish to inquire into?

Mr. BENNETT: Yes.

Mr. BOTHWELL: I am sure that everybody will welcome an investigation of this kind. I am rather of the opinion that the government might have passed legislation on the strength of the complaints that they have already received and because of which they are asking for this investigation.

The hon. member for Selkirk (Mr. Stitt) says that the government are sincere in bringing in this resolution. We sincerely hope they are. However, in the past we have had an investigation in which there did not seem to be much sincerity on the part of this government. I refer to the investigation into the price of gasoline and the spread of prices there. Some questions involved in this resolution were brought to the attention of the house in 1931. An investigation was held into the price of gasoline in 1932, but the report made by that committee to the house was simply a rehash of a report made by a firm of auditors. I do not believe that there is a single member of this house who could read and analyze the evidence given before that committee and conscientiously approve of the report that was brought in. Ample evidence was given before that committee for action by the government, and all I can say is that at this late date, in 1934, after this matter having been brought to the attention of the government in 1931, and proven in 1932, we do sincerely hope that something will come out of the proposed investigation.

Hon. W. R. MOTHERWELL (Melville): I do not think I should let one of these very infrequent opportunities go by to say a word of even mild approval of the government's investigational intentions, as set forth in this motion, and I refer most particularly to sub-

section (d), where the live stock industry is promised to be looked into. Some of the members of the government will recall that when they came into power they found the sum of $25,000 already voted for this very purpose by their predecessors. The first session after that, in 1931, I urged the government to take advantage of that vote and hold an investigation. The money was there. The vote did not get there all by itself; it was put there for a purpose, and I hoped that the government would take advantage of it and hold the inquiry which had been anticipated by their predecessors. However, they either used the money for some other purpose or let it lapse into the treasury. They did not proceed with the inquiry. On the principle that it is better late than never, I approve of this action on the part of the government, particularly with regard to live stock.

With regard to subsections (a) and (b), affecting the chain stores, it was inevitable that the government should take action if the Minister of Trade and Commerce (Mr. Stevens) were not going to be let down as a gentleman engaging in heroics before the country with the idea of obtaining some approval, which he did get. I am sure it would not be becoming of the hon. gentleman to let it stay at that. I can bespeak one class of people who will approve of this action, namely, the very much embarrassed retail traders throughout Canada, especially in the small villages in the west. They are at their wits' end to know how to carry on. What with the competition of the buses, and the drays and the highways, the mail order houses and the chain stores, and competition among themselves, they hardly know what line of goods to keep which they can dispose of to advantage. I know the minister will get sympathy from these people.

Just how the minister is going to investigate and put a stop to mass buying I do not know. Perhaps we have been wrong in the past in our industrial development methods, but we have always thought that it was a good thing to conduct affairs efficiently, and that we should buy in large instead of in small quantities. The very foundation of industrial development has been to purchase our raw material cheaply. There is an old saying that anything that is bought properly is half sold, so that the buyer can buy it to advantage. I am sure our wives always like to go to the chain stores—why? Because they can get good bargains. Maybe while these things are so there are nevertheless some abuses. One or two have happened to come to my attention comparatively recently. The chain stores will acquire a line of farm produce, for example, pigs' feet, which is a great dainty with some people. They will buy the whole output of an abattoir and use them as a drawing card for their customers, a sort of advertisement. Instead of spending so much money in newspaper advertising they use this line to serve the same purpose. This competes with the regular meat trade and it affects the price not only of pigs' feet but of almost every cut in the animal. So that the chain store business, with its ramifications, is enormous. Just how it can be remedied I do not know, but I wish my hon. friend good luck.

I do not know whether the minister has tackled something bigger than he realized, but he has certainly undertaken a tremendous proposition, and no one can do anything but wish him well in his remedial endeavours.

With regard to the remarks of the hon. member for York-Sunbury (Mr. Hanson), if I understood him rightly he took credit for the milk investigation—and I do not want to discredit it; it was quite outside its jurisdiction but it did something, and something is always better than nothing as a rule—for having put Winnipeg wise as to how to solve the milk problem there. Well, action had been taken in Winnipeg in this regard before the federal milk inquiry of last session. As a matter of fact, we had witnesses down from that very organization to tell this committee how the remedy was effected there. Maybe I heard the hon. gentleman wrongly, but that was what I gathered from him.

As respects the rest of the resolution, I hope the minister does not think that we are talking unnecessarily long on the problem. He should feel complimented; it shows that he has touched something we are all thinking about. The whole press of Canada is talking about it, and if this proposal does nothing else than divert attention from some of the government's shortcomings, they should be glad that we are devoting some attention to it. I hope they will proceed with all haste, and now that they are dealing with something that does come under their jurisdiction I trust that there will be some good results from the investigation, even though long delayed.

Mr. JOHN VALLANCE (South Battleford): I wish to make just a few observations on the motion now before the house. Subsection (d) of the resolution relates to the methods and system prevailing in the marketing of live stock and animal products for domestic consumption and export. The hon. member for Gloucester (Mr. Veniot) proposed an amendment which probably is not essential provided the Prime Minister will tell us how wide the

scope of the committee will be in this investigation. From my point of view at any rate, it all depends upon the scope of the order of reference from the house to the committee. If we are not going to be allowed to investigate the capital structure of, say, the packing industry, then the whole thing is a fiasco. I speak as one who is interested primarily in live stock and animal products of the farm and unless we are permitted in this committee to investigate the whole capital structure of the packing industry we might as well not refer the matter to the committee. I hope that when the Prime Minister rises he will assure us that the suggestion of the hon. member for Gloucester, indicated in his amendment, will not be necessary and that the reference will give the right to investigate the capitalization of these concerns.

Mr. E. J. YOUNG (Weyburn): May I at the outset explain to the Minister of Trade and Commerce that the reason I smiled when he said that dumping was a development of the last three years was this: I was reminded of the doleful tales we heard so often from this side when he was over here five years ago with regard to the dumping practice.

Mr. STEVENS: I did not say dumping in the last three years; I never used the word dumping.

Mr. YOUNG: I understood the hon. gentleman to use that word.

Mr. STEVENS: I do not think the hon. gentleman wishes to misconstrue what I said. I said that there had been growing up a practice during the last three years, not only internally but in the external market as well, of selling goods at less than cost of production. I was not referring to dumping in the broad sense of the word.

Mr. McINTOSH: Domestic dumping.

Mr. STEVENS: Quite so.

Mr. YOUNG: That I suppose is dumping as it used to be. Well, if it is true that the practice of selling goods at less than cost has greatly increased during the past three years, then it is equally true that tariffs have equally increased during the same period, and we are forced to the conclusion that this practice of selling at less than cost, which we are told will be disastrous, is one that must be encouraged by the high tariffs that prevail.

Mr. STEVENS: Just the reverse.

Mr. YOUNG: My friend says, just the reverse. He means that dumping causes tariffs to rise. It seems to me we have a vicious circle; one begets the other. The thing he deplores is a consequence of the policy he follows.

However, I must congratulate the government on the resolution; it shows at least that they have some glimmerings of wisdom and realize at last the truth of what we have been telling them for many years, that our trouble is that the spread between the price the producer receives for the thing he has to sell and the price the consumer pays is responsible for the fact that our people cannot buy the products of the factories. They cannot buy each other's labour, and that is responsible for much of the unemployment and distress that exist. Reading the resolution carefully I am not sure that the government has yet the right point of view. It seems to me that they are very largely overlooking the consumer in this resolution.

Mr. BENNETT: Look at the last words: "Not inconsistent with the rights of consumers".

Mr. YOUNG: Yes, I shall deal with that a little later. It seems to me that the vital question is not so much: What does the producer receive in dollars and cents for his product? but: What can he buy with that money when he gets it? If he receives, no matter what price for his product and then finds that the commodities he wishes to buy are at a price level he cannot reach, he is not assisted very much.

Not very long ago I was talking to a gentleman who had been farming in the west for many years. He told me that he had never been so well off as in the old days when wheat was selling at sixty to seventy cents a bushel; but, he said: "In those days I could buy a mower for fifty bushels of wheat and now the same mower costs me 200 bushels. In those days I could buy a binder for 250 bushels of wheat whereas now it costs 600 bushels. In those days I could buy a pair of overalls for a bushel and a half of wheat whereas now it would cost four bushels." The trouble to-day with our primary producers is that they have to pay so much for the products of the secondary industries that they are not able to buy them. Three or four years ago when this government took office, prices were declining rapidly throughout the world, and in particular prices of farm and natural products generally, and the government found itself powerless to stop this de-

cline. What was the logical thing for the government to do under the circumstances? It was to endeavour to see that all other prices came down along with the prices of primary products. But the government took the opposite view; they said: At least we can stop the prices of manufactured goods from coming down, and they legislated accordingly. They adopted a fiscal policy calculated to prevent a decline in the prices of manufactured goods commensurate with the decline in the prices of farm products. What was the result? In 1929 a dollar's worth of farm products in this country would buy a certain quantity of manufactured goods. In 1933 it required $1.62 worth of farm products to buy the same quantity of manufactured goods. That widening of the spread had the effect of putting our primary producers out of the market; they could not buy the products of the secondary industries.

We are now told that the mail order houses and chain stores follow unethical practices in their buying methods. It is generally conceded that the cost of merchandising goods, that is, of getting them from the producer to the consumer, is excessive. Perhaps that is due in large measure to the fact that we insist on too much in the way of service, or it may be to an expensive organization that we have for distributing goods. But the mail order houses were the first people to take a step in the direction of solving that problem; they were the first to help in reducing the spread between the price which the consumer pays and what the producer receives. This worked a hardship at the time on the local storekeeper. As a result he was driven to form chain stores and we have the mail order house and the local merchant organized into chain stores, buying now by a more economical method than that followed formerly and so bringing goods to the consumer at a lower cost than before. In that I think they are rendering a real service to the community.

Not many days ago something was said in the press about a speech delivered by the Minister of Trade and Commerce (Mr. Stevens), I think in Toronto, and one mail order house challenged him to prove that they had been guilty of unethical practices. If I recall rightly the instance he gave was something like this: That company had gone to a certain woollen mill in Scotland and offered them an order for some 250,000 yards of a certain kind of cloth at a price somewhat lower than the mill was asking. The mill at first refused to accept the price, but when the company's buyer went away saying: Very good, he reecived a telegram a day or two later accepting the price. I cannot see anything unethical or wrong in that. Surely such a company has the right to bargain for those goods as best it can, and when it passes those goods on to the consumer with that saving of price, certainly the Canadian people are going to benefit. If you stop that kind of thing, you say this, that prices must forever remain as they are; they must become rigid and never be lowered. It has been demonstrated beyond peradventure that the government is powerless to stop the decline in the price of natural products, those things that are sold on the world market. The logical thing to do then is to bring down the prices of other things proportionately so that people can buy them on an equal basis. But when you say that you will not allow the prices of certain commodities to come down, to share in the deflation, you are putting other classes in the community in the position where they cannot buy the products of those people. I think it was said by a witness in the milk inquiry last year that even if they got the milk for nothing, they would still have to charge seven cents a quart for it. What does that mean? It means that while the producer got nothing for his labour, certain other people had to have their full share. That is not equitable.

Let us read paragraph (a) of the resolution:

> The effect of mass buying by department and chain store organizations upon—

Upon what?

> —the regular retail trade of the country, as well as upon the business of manufacturers and producers.

Not a word about the consumer. Paragraph (b) reads:

> The effect thereof upon the standard of living amongst those employed in such industries and organizations.

Nothing about the consumer. Paragraph (c) speaks of:

> The relation between the flour milling industry and the bakeries of the country, and the effect of such relations on the baking industry of Canada.

Not a word about its effect on the price of bread. It seems to me that the essential thing is to look at the whole problem from the standpoint of the consumer. If you can get the goods into the hands of the consumer at a reasonable price, he will buy the goods and that will give employment to others. But if you pick out certain classes in the community, as is done in this resolution, and

see that they do not suffer any reduction in their wages, the effect will be a rigidity in the price level at certain points; it cannot be adjusted and the result will be that some people will not be able to buy the products of others. I hope the government in making this inquiry will not lose sight of the fact that the whole question should be studied from the standpoint of the consumer. Let me once more quote these words I have quoted before from Bastiat:

Study all economic questions from the consumer's standpoint for the consumer's interests are the interests of the human race.

Mr. THOMAS REID (New Westminster): Mr. Speaker, this resolution, so far as it goes, meets I believe with the unanimous approval of the house, but like some hon. members who have spoken I do not believe it goes far enough and I think this is the time when further suggestions should be made with a view to enlarging the scope of the inquiry.

I was particularly pleased to hear the subject of fish mentioned by some members on both sides of the house, and in that matter I would say that conditions peculiar to British Columbia fisheries are somewhat different from those prevailing in some other provinces. One hon. member spoke about one and one-half cents per pound being given to fishermen. The fishermen of the Fraser river were offered one cent for fish weighing from seven to ten pounds apiece. Another very peculiar instance in regard to the fishing industry is the fact that while our cannery men were offering our fishermen a certain price for sockeye salmon some of them were paying United States fishermen a higher price and I believe they brought 125,000 pounds of fish into this country which were canned and, I presume, will go out under the empire treaty to the old country. Strict notice should be taken of that phase of the situation.

The hon. member for York-Sunbury (Mr. Hanson) brought up the question of jurisdiction in connection with milk prices, pointing out that this was purely a provincial matter. For the information of the house and in particular the hon. member let me say that as regards the milk situation in British Columbia it is not provincial legislation that is troubling us now but federal legislation to enable us to have better and fuller cooperation so that prices to the farmers will be increased without increasing the price to the consumer. That undertaking has been given by the largest producers' organization in British Columbia, the Fraser Valley Milk Producers, and we trust that the Dominion government will take serious note of the milk situation in British Columbia.

The three great industries in British Columbia are fishing, agriculture and lumbering, and I would like to speak briefly of some conditions affecting the lumber industry which I think should be taken into account when dealing with this motion. The Prime Minister has been very energetic and received great commendation for his work in helping to find a market for our lumber in the old country. But I would like to point out to him that there are certain factors prevailing throughout British Columbia which should be remedied if the industry is to prosper and the men engaged therein receive at least a decent living. At the present time in British Columbia we have some firms paying 40 cents an hour, others 30 cents, others 25 cents, and we have other lumber concerns with the same up-to-date machinery paying men in clothing only and a mere pittance in food. We have other industries paying the men on what is called a profit-sharing basis, and to me it seems an inhuman attempt to take undue advantage of the workers, because instead of the men being on a profit-sharing basis they are really sharing the losses of some of these firms. They pay them 12 or 15 cents an hour and the men are told that if there is any profit at the end of the month they will be given a share. But it has been noted that when profits begin to arise the men are then given a straight wage of 20 or 25 cents an hour. But while the firm is having trouble and not making any profit they tell the men it would be a good thing for them to be on a profit-sharing basis. I do not think the industry should be allowed to pay such a low scale of wages. Two firms in particular, run by Hindus, I believe, and employing Hindu labour, pay only in clothing and a little bit of rice to the men who are working, and these firms have the same up-to-date machinery and can produce just as much per day as the other mills. This has the effect of bringing down wages of all other workers in British Columbia, until to-day I say without hesitation that the men working both in the lumber camps and in the mills are working at slave wages. If we are going to keep fighting for empire markets, especially in Great Britain, I think the Prime Minister might also well take note of firms using cheap oriental labour; it is almost a breach of faith in empire trade to send that material to Great Britain as Canadian produce. The serious part to me is the fact that it brings down the wage of all the workers in British Columbia to a level of bare subsistence; it is very serious indeed, because we all know that the purchasing power of a country comes chiefly from its wage bill.

Perhaps I will have more to say when we go into committee, but at the moment I am just drawing the attention of the house to these matters.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I wish to say a few words on the resolution. The hon. member for South Battleford (Mr. Vallance) asks that the financial structure of the packing industry should be inquired into. I would like the inquiry to be enlarged to take in the financial structure of all our industries. The Minister of Trade and Commerce has said that presently some manufacturers are selling their goods at less than cost of production. I believe that is just as true of the bushmen and settlers in the lumbering and pulpwood industry. The right hon. Prime Minister last Monday told the house of the importance of the newsprint and pulpwood industry. Anyone who read the articles published in Saturday Night last fall and winter on that industry would be fully seized of the situation developing out of its financial structure. It is true that at present the price of newsprint in the United States is very low, I believe that last fall it averaged $34 a ton. The fact remains that things took place in the financing and the reorganizing of these great corporations which the government might well investigate. Apparently this inquiry is going to be set in motion primarily for the purpose of finding out about so-called sweat-shop conditions. I believe on that score alone that the resolution and the inquiry are fully warranted. By sweat-shop conditions we mean that those engaged in the industry are not receiving a fair remuneration for their work. I feel safe in saying that the present stress we have in our lumber industry in northern Ontario and Quebec is largely due to the faulty financial structure of some of the large corporations. Prices go with wages, there is no way of divorcing the two. During this depression, as during others, wages went down before prices of commodities, and when wages are low, buying power is necessarily curtailed, and it is no use trying to bolster up commodity prices unless there is first an increase in the wages of working men. In our own section I have seen one corporation engaged in the newsprint industry, which did not go into receivership, paying more for their pulpwood and to their men than other corporations that went into receivership on account of mismanagement of their financing department, and not on account of their producing organization, but I believe the government would be well-advised to make a thorough examination of the actual financial structure of all the corporations of Canada. The hon. member who preceded me mentioned the fact that in British Columbia they are also having this difficulty in the lumbering industry. I have vividly in my mind a statement made last summer, I believe during the world economic conference, when there was some protest against Great Britain buying a large quantity of lumber from Russia. I believe it was one of the Russian commissioners in England at the time who rightly said, Take the water out of your lumber companies stock, and your large overhead, and you will be able to compete with us. In many of our large corporations we have over-capitalization, and too great overhead, not so much in the management as in the administration. I made the point last evening, and I repeat it to-day, that the government should go into that so-called sweat-shop feature. We have that in our own section on account of the faulty financial structure of a lot of our large newsprint concerns. The statements I am making are supported by those of men prominent in finance and economics, contained in many of our financial papers during the last two or three years. I believe a lot of good would be done if a sweeping investigation were made. We are inclined to ridicule some of the policies of new parties, but I believe they do some good when they address themselves to making the people realize that in some instances stock has been watered to the extent of 400 per cent of the original capital invested. I believe on that score alone there should be very thorough analysis.

I am certain that inquiry will show that retailers as a whole, at least the independent ones, are not making exorbitant profits. It will be found that the margin received by the retailer is very small. If it were within the jurisdiction of the government to compel all retailers to sell for cash only I believe that would go a long way towards a solution of the retailers' troubles, and the consumers would be able to buy their goods more cheaply as well. That policy has been adopted by the chain stores, and it is one of the important factors in their success. I say that as long as you have credit extended in that industry there will be a large spread.

That is all I want to say at the moment, Mr. Speaker, but I strongly urge upon the Prime Minister that he enlarge the resolution so that it may be possible to have the committee at least analyse the financial structure of our large industrial corporations.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, I have no hope of adding anything to the debate that has taken place, but I should like to say that I am glad to see that at last the government is getting down to the consideration of some of the basic grievances that are troubling the people of this country to-day. Without doubt this action is long overdue.

May I tell you, sir, that the constituents whom I am sent here to represent are largely petty farmers and labourers. The petty farmers have lost their identity as such in the constituency of St. Boniface and have taken up wood cutting for a living. They have lost their herds and their farms; many of them are on relief, while others are cutting wood at fifty cents a cord, which is largely used in place of coal to heat the city of Winnipeg. The labourers also have lost their employment; to a large extent they are on relief. I believe the abuses that have obtained with regard to the spread between the price paid the primary producer and the amount for which the commodity finally sold is very largely to blame for this state of affairs. Some mention has been made of milk with regard to the city of Winnipeg. It is true that we had an extensive investigation into the price of milk, but unfortunately the primary producer in Manitoba is still getting one cent per pound for his milk, and milk is still selling for ten cents a quart in the city. It is true that the matter is under the jurisdiction of the utilities commissioner, but it would seem that he has no power to bring about a betterment of conditions.

Mr. BENNETT: He could get the power from the legislature.

Mr. HOWDEN: I was going to say that this is a sad state of affairs. Here is a commodity used all over the nation. In Winnipeg it comes under the utilities commissioner, but still we have failed to obtain any betterment in regard to the price or distribution of milk. The same thing is true with regard to other ordinary commodities produced on the farm. For poultry, eggs and beef the farmer receives practically nothing, but those of us who live in the city still pay a reasonably good price for these commodities. With regard to manufactured goods the price is not so low. I grant you that the prices of ordinary manufactured commodities have come down and that workingmen have suffered as a result, but the decline is not at all in proportion to the decrease in the prices received for farm products. I believe that in the production of ordinary commodities the price should be the cost of production, with a reasonable percentage allowed the distributor, but unfortunately that situation does not exist at present.

The statement was made in this house to-day that the remedy is not with this federal jurisdiction. I might point out, however, that if the remedy is not with the federal jurisdiction and is in the hands of the provinces, the municipalities and the provinces are very largely dependent upon this federal authority for their living, so to speak. I think conditions might be imposed upon the provinces by the federal authority which would do away with some of the abuses to which I have referred.

I do not wish to labour the subject at further length. I congratulate the government upon having brought up at this time this very necessary and desirable measure.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, as the representative of a live stock area in northern Saskatchewan I could hardly be expected to refrain from taking part in this debate. This resolution touches upon some very important questions; when we consider the system in effect at present and the methods adopted under that system with respect to the purchasing of live stock for domestic and export purposes, then I think we are approaching a problem that is closely connected with that of the prices paid for live stock in Canada.

After listening to this debate, Mr. Speaker, may I say that it would appear to me that some hon. gentlemen opposite are in doubt as to what can be done or what ought to be done. One hon. member waxed eloquent with regard to the sovereignty of parliament. After listening to him one would expect that there could be no doubt in the mind of any hon. member with regard to the power of the federal parliament to investigate the buying and selling of live stock, mass buying and selling on the part of departmental and chain stores, labour conditions and standards of living prevailing in certain industries and the public relations existing in the flour milling and baking organizations to-day in Canada. On the other hand, however, we had another hon. member express doubt whether or not the government has jurisdiction to go ahead with this inquiry, because these matters come under provincial jurisdiction. This is rather a peculiar position for supporters of the government to take.

I think we all recognize that the federal parliament has ample power to go ahead, and the important question in regard to the investigation mooted by the Prime Minister (Mr. Bennett) in this resolution is whether

or not the government is sincere. To my mind that is the main question before the house. It profiteth not very much if an individual is gifted with a sharp intellect, has his emotions highly developed and possesses great will power if, back of that development, there is not honesty of conviction and absolute sincerity. So I say again, is the government sincere in this investigation? If it is, this contemplated inquiry may amount to something; if it is not, as hon. members have stated this afternoon, it will amount to nothing. So if the government is sincere I think we ought to have the fullest possible investigation. If the investigation is not complete and well rounded out; if action is not taken on the evidence adduced, then I say that will help finish the government before the country, and really if the move ends in chaos and failure it ought to have just that effect.

Mr. STITT (Selkirk): I rise to a point of order, Mr. Speaker. I do not know whether or not the hon. gentleman who is speaking questioned the sincerity of the Prime Minister. I believe he did.

Mr. McINTOSH: May I direct your attention, sir, to the fact that the hon. gentleman is not in his own seat?

Mr. STITT (Selkirk): As a point of order, may I ask if an hon. member of the house may question the sincerity of another hon. member?

Mr. SPEAKER: If such a statement were made by the hon. member it would only be by inference.

Mr. STITT (Selkirk): The hon. member used the word.

Mr. SPEAKER: I do not find the point of order well taken.

Mr. McINTOSH: Now that this little squabble is all over, we will proceed with the question of the day. I meant to say just what I said. If the government is sincere, and I am not going to say that it is not, then perhaps we will get results which will startle the country. However, before leaving the point may I state that I believe the government is not as non-partisan as some hon. members opposite would lead us to believe. I have been in touch with the problem before us for months, not only as a newspaper man but in other ways. I quite realize the seriousness of the problem brought forward by the government, and have been told time and again that whatever party or whatever man would take hold of the question, go to the root of it and expose the practices and limitations of buying and selling, in the broadest sense of the word under a vicious high protection system, would bring a well-defined public opinion to the solution of this very grave state of affairs. Therefore I believe the government of the day, fully realizing that this is a political matter, is not so non-partisan as some of its members would make us believe. So far as that is concerned, the opposition will have no desire to make any political capital out of the investigation. We will give our fullest support to it on the understanding that immediate and complete action will be taken on the facts and evidence brought before parliament.

If the government is so non-partisan and non-political with respect to this resolution, why did it not accept the resolution of the hon. member for Assiniboia (Mr. McKenzie)? Why did it not accept the motion he placed on the order paper a year ago? Why did the government not take action two years ago; why this belated effort? Why is the resolution of the hon. member for Assiniboia sidetracked and a new resolution brought in which has no broader meaning and will bring no result which could not have been brought about by the resolution moved in the name of the hon. member I have mentioned?

So far as the United States is concerned, what has the present government of that country done since it has assumed power, despite all its investigations, coding and actions of that sort? Has it not deliberately sidetracked the most important problems? Has it not left its pilfering high tariffs in effect? Has it not run away from the main problems? And has not all this coding, which even the Minister of Trade and Commerce (Mr. Stevens) does not like, all this manipulating, this twisting and turning for the last few months, have not all these things been done without touching the nationally economic tariff structure? Well, they will never get very far with a policy of that kind. They may get temporary results, but they will not get permanent results.

After all, the main problem facing this house to-day in connection with the motion before it is not contained in parts (a), (b), (c) or (d). The main problem is the high tariff structure of Canada—not necessarily the departmental and chain stores, the millers, the bakeries and packing establishments—and unless the government will take action to bring about freer distribution, internationally and nationally, we cannot expect conditions in Canada to improve. The government may go on investigating until doomsday, they may draw up commission after commission, give power after power and authority after authority, and continue giving such powers for the

next quarter of a century, and they will not get very far. Something more drastic is needed.

To my mind the people must take hold of this problem. The sum and substance of the motion before us is that unless the fullest investigation is made and the greatest good secured this great problem will have to be passed on to the people of Canada in the coming election, and if it is they will tear some of the tariff obstruction down, and bring about a distribution which will result in fairer prices to the consumers and prosperity to the nation.

In closing may I ask for the fullest and sincerest investigation and immediate action on the evidence produced before the committee, not two or three sessions from now, but right away. Unless action of that kind is taken perhaps the time of the house could be better spent in some other direction.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, may I in closing this rather protracted and wholly unexpected debate point out that the premises of the right hon. leader of the opposition (Mr. Mackenzie King) are, unfortunately, unsound. Under the Combines Investigation Act there is no authority to inquire into paragraphs (a), (b) or (c). The Combines Investigation Act is limited to cases in which a combine is suspected to exist. The matter was carefully considered. Where the registrar has power on requisition from six persons or from a minister, to order an inquiry, is in a case where there is a combination. "Combine" is of course defined. That however is not the evil for which remedy is here sought. As has been so well pointed out, I was rather surprised the right hon. gentleman should have suggested that the Combines Investigation Act was ample for the purpose of this motion. The right to issue a commission under the Combines Investigation Act is for matters that are affected by that act, but not inconsistent with it, and the power that is asked here is to set up a commission for the purpose of giving effect to whatever desire the committee may manifest, for the purpose of procuring information. In connection with fish and other commodities I do not wish to say more than this, that if it is thought desirable the word "fish" may be added.

Mr. DUFF: It is included.

Mr. BENNETT: I believe most men will agree that modern science has demonstrated to us that the word "animal" comprises all forms of living organisms, as distinguished from vegetable. Under the word "animal" I find this observation:

> We know now that in so far as life and living matter can be investigated by science, animals and plants cannot be described as being alive in different degrees.

The term used to be used just as it has been used in the present instance. The article before me states:

> The common use of the word animal as the equivalent of mammal, as opposed to bird, or reptile or fish is erroneous.

Therefore the word includes fish, and I do not think it is necessary to move an amendment. However, I have no objection to its being done if it is so desired. In the dictionary at the table the word "fish" is defined as: "Animal living in the water".

That would include an animal living in the sea, so that there is no difficulty on that score.

Then, may I point out one matter which covers all the criticism which has been offered with respect to the deficiency of the powers of the committee. They are to inquire into the spread between prices received for commodities by the producer thereof, and the prices paid by the consumers therefor. That is, they are to investigate the causes of the spread. To undertake for a single moment to indicate in a resolution of this type what the causes are would, in my judgment, destroy its very purpose. When the hon. member for Gloucester (Mr. Veniot) suggested that there should be an inquiry into the financial structure, I would reply that such inquiry would be involved in the investigation, because we all realize that one of the items in costing practices is interest on money, taxes and other items. The cost to the consumer of any commodity is the cost of the raw material; the cost of processing, we will say; the taxes; the interest on borrowed money, whether it be in the form of capital structure or bank loans, and other items that need not be gone into in detail. This committee is clothed with power to investigate the causes of the large spread. If the committee should determine, for instance, that over-capitalization is one of the causes; if they declared that the matters to which the hon. member for Last Mountain (Mr. Butcher) last evening referred are causes, they would have power to investigate such matters. Incidentally I should like to point out to the hon. member for Last Mountain that every grievance in the way of combinations to which he referred last night arose under the late administration, and that is rather an odd thing. I do not charge the government with being responsible for it, but I only point out that it is a fact that

they came into being under the late administration—if hon. members of the house who are interested in the matter will just take the trouble to trace them to their origin they will find that some of them came into being under our Companies Act as it now exists. But unfortunately, with our divided jurisdiction, many of them came into being under provincial companies acts, and I may add that it was completely established that the federal Secretary of State has no power, and this government has no power, to issue a commission for the purpose of investigating matters connected with the organization of a purely provincial company. Hence it was, when the blue sky law or the Security Frauds Prevention Act was passed and the privy council declared it intra vires of the provincial legislature, it did more than any other single thing in recent years to enable the people to have control over the issue of securities and to punish those whose securities had been sold upon fraudulent misrepresentation.

The other point that was made was as to the interest of the consumer being adequately protected. I would suggest to my hon. friend from Weyburn (Mr. Young), whose well known advocacy of the interests of the consumer found expression in the consumers league in days when he sat to the right of the Speaker more than to the left, that if he will observe the language of the resolution, it says "with fair and just returns to producers, employees, and employers, not inconsistent with the rights of consumers." It is idle to say that you can build on one alone; the rights of all must be considered. When the hon. member for New Westminster (Mr. Reid) spoke I could not help but think I must suggest to him the desirability of bringing his complaints to the government of British Columbia, because the whole administration with respect to minimum wage is under the control of the provincial government, and rightly so. Sometimes there is a tendency to complain that the federal government has not control of these matters, but the theory upon which our constitution was created was that local matters which in the very nature of things the local government must know about and could easily deal with should be regarded as of domestic and local concern. And so it is that wages, property and civil rights, and these other matters to which the hon. gentleman referred are matters that must be dealt with by the provincial legislatures.

So I suggest, Mr. Speaker, that the amendment that is offered by my hon. friend from Gloucester (Mr. Veniot) is covered by the terms of the resolution, and I doubt its relevancy if it is proposed in the form in which it stands. The word "fish" I do not think now is necessary. I think my hon. friend from St. Boniface would say that it would have been necessary fifty years ago, but since modern science has dealt with protoplasm in the manner in which it has the division is merely between the animal and the vegetable kingdom, and fish would therefore be included as an animal product.

I can only add that it is the intention of the government in moving this resolution that the committee shall deal with these matters in the broadest possible terms. It is not a committee of the government; it is a committee of the House of Commons; and while the practice of the house is that the government shall always be represented by a majority on the committee, those opposing the government nominally, either the official opposition or those to their left, will have representation upon the committee. The language of the resolution is broad; it is general. The only criticism I have to offer with respect to some of the observations that have been made is that they have overlooked these words, "and, without restricting the generality of the foregoing, more particularly to inquire into and investigate—

Mr. VENIOT: May I interrupt the right hon. gentleman for a moment?

Mr. BENNETT: Certainly.

Mr. VENIOT: Do I understand the Prime Minister to say that under the motion as presented to the house by the Prime Minister, and without my amendment, we can go into the points I touched upon in my remarks?

Mr. BENNETT: I have no doubt about it, for this reason—

Mr. VENIOT: Then I am ready to withdraw my amendment on that assurance.

Mr. BENNETT: I do not want my hon. friend simply to take my word; I should like his reason to be committed to it as well. The resolution says that a special committee shall be appointed "to inquire into and investigate the causes of the large spread between the prices received for commodities by the producer thereof, and the price paid by the consumers therefor." Now every cause that lies between (a) and (b) can be inquired into, and one of those causes obviously is the question of the capitalization.

Mr. VENIOT: What led me astray was that certain things are specifically mentioned

in paragraphs (a), (b), (c) and (d), and I thought that such specification might prevent other matters from being inquired into.

Mr. BENNETT: Those words "and, without restricting the generality of the foregoing," were written in with my own hand. I think there is no gentleman in this house who hears those words who can say that that is not the language that is apt, under our system of draftsmanship, to confer the widest possible powers upon anybody to whom any question is, in the language of the Scottish courts, remitted, or as we say, referred.

Without going into the matter at any further length, in view of what has been said I think it has been abundantly established, and I want it to be accepted by the house, that it is intended to give the widest possible opportunity for dealing with these problems within our legislative jurisdiction. Whether or not there may be a limit I cannot say. That is all I can possibly suggest.

Mr. SPEAKER: Has the hon. member for Gloucester the unanimous consent of the house for leave to withdraw his amendment?

Mr. MACKENZIE KING: The amendment is not withdrawn as yet, Mr. Speaker, and I should like to say a few words upon it before it is.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I have no desire to detain the house; indeed, like the Minister of Trade and Commerce, I had not intended to speak again, and I would not do so now, had he not spoken. But, in the course of his remarks, the hon. gentleman said that there was a difference between the American legislation respecting trusts and combines and the Canadian Combines Investigation Act, in that the former American legislation was based upon opposition to combines as such, whereas the present legislation is based upon a recognition that combines are inevitable, and that it is rather at the abuse to which combines are likely to give rise than at combines as such that legislation is directed and for which remedies are provided.

I stated that when the Canadian Combines Investigation Act was introduced the position taken by the government at the time was that combinations as such should not be regarded as illegal, that the Canadian act differed in that particular from the legislation then existing in the United States; also that the same was true of the Combines Investigation Act which was reintroduced in 1923 in Canada. Both these enactments were based on the theory that this is an age of world-wide competition and that combination is inevitable and as such should not be regarded as of itself an evil. On the other hand, it was recognized that large combination makes for great power in the direction of affairs and that all such power involves the possibility of abuse. It was and is against the abuses of combinations that the Canadian Combines Investigation acts were framed.

It is much to the credit of Canada that the position which this parliament has taken from the outset with respect to combines should be the one which, after some twenty-five years of legislation on the subject, the United States has come only this year to recognize as the right one. While, as the Prime Minister says, from the mere statement that an act is intended to have a certain purpose, it does not necessarily follow that that purpose is attained; nevertheless, where the provisions themselves bear out what is said, the statement with regard to its essential features made at the time of introduction of a measure does help to throw light on the matter. If that statement is not in any way questioned when the legislation itself is under review, it is a factor which must necessarily be taken into account in the construction of the statute.

I have in my hand the debates of January 18, 1910, at the time at which the Combines Investigation Act was introduced. Sir Robert Borden was then leader of the opposition, and Sir Robert asked for an explanation. I was, at the time, holding the position of Minister of Labour in the government of Sir Wilfrid Laurier, and in reply to Sir Robert Borden I made, in part, the following statement:

> The legislation differs in some particulars from legislation of a like nature which has been introduced in other countries in that it is not aimed against combines or mergers as such, but rather against the exercise on the part of combines, mergers or monopolies, in an unfair manner, of the powers which they may get from that form of organization. This is an age of organization and not merely of local or national competition but of world-wide competition and any industry or any nation which wishes to hold its own in the field of competition must do much in the way of perfecting organization.

I have read this in order that the record may be complete, as well as to indicate what really has been the main objective of the legislation dealing with combines, mergers and trusts. It has not been against large organization of industry as such, but rather against the abuses to which vast organization and

combinations may give rise, that the legislation has been directed. I have in my hand the legislation of 1923, and it will be observed that the very definition of "combine" at the outset recognizes that there may be combinations which are not illegal and are, therefore, not affected by the provisions of the act. It is only the class of combines referred to specifically as having certain of the features mentioned in the definition that comes within the scope of combinations that would be affected by the legislation. "Combine" does not mean that any combine is a combine affected by the provisions of the act, but only such combine as falls within the definition of the word "combine" as set forth. I quote:

> In this act, unless the context otherwise requires,—(a) The expression "combine" in this act shall be deemed to have reference to such combines immediately hereinafter defined as have operated or are likely to operate to the detriment of or against the interest of the public, whether consumers, producers or others; and limited as aforesaid, the expression as used in this act shall be deemed to include—

Among the provisions included are the following:

> (ii) preventing, limiting or lessening manufacture or production; or (iii) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation; or (iv) enhancing the price, rental or cost of article, rental storage or transportation; or (v) preventing or lessening competition in or substantially controlling within any particular area or district or generally, production, manufacture, purchase, barter, sale, storage, transportation, insurance or supply; or (vi) otherwise restraining or injuring trade or commerce.

These are described as combines, coming within the provisions of the act. The words, "preventing or lessening competition in, or substantially controlling within any particular area," production and so forth, and the words, "otherwise restraining or injuring trade or commerce" are, it seems to me, sufficiently broad to cover anything that is set forth in the motion of my hon. friend with respect to the classes of interference with trade into which it is proposed to inquire.

Mr. BENNETT: The right hon. gentleman is overlooking the governing words. There must be a combination, and that is more than one thing.

Mr. MACKENZIE KING: The provision is with respect to a combine that in any way prevents—

Mr. BENNETT: What is it that prevents? It is a combination that does that; that is what the statute says.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: Any organization at all, whether two or more people, uniting together for a specific purpose.

Mr. BENNETT: That is it.

Mr. MACKENZIE KING: I should say that a board of directors themselves, if they agreed that the organization which they controlled should do something that would affect trade adversely would constitute a combine within the meaning of this act. However, the point is largely secondary because my reference to the Combines Investigation Act was only with respect to the machinery it provided for investigation; it was not intended as a substitute for what is proposed by the motion. The reason I spoke of the Combines Investigation Act was, more particularly, to point out that in my opinion the government, if it had wished to do so and were sympathetic generally with the purposes of the act, would have been able to find within its four corners legislation that would have justified it in investigating, and which would have enabled it to investigate in advance of this session any matter referred to in the motion before the house. Take the terms of the act with respect to the machinery required to set it in motion:

> Any six persons, British subjects, resident in Canada, of the full age of twenty-one years, who are of the opinion that a combine exists, or is being formed, may apply in writing to the registrar for an investigation of such alleged combine. . . .

It is not necessary that a combine shall actually exist. If half a dozen persons are of the opinion that there is a combination in industry which is operating in any way to restrain or injure trade, that is all that is required to set in motion the whole machinery of the act. But even that much is not necessary from the point of view of the ministry. Another section provides:

> Whenever such application shall be made to the registrar, or whenever the registrar shall have reason to believe that a combine exists or is being formed, or whenever so directed by the minister, the registrar shall cause an inquiry to be made into all such matters whether of fact or of law with respect to the said alleged combine as he shall consider necessary to inquire into with the view of determining whether a combine exists or is being formed.

I do not hesitate to say that, if I had been Minister of Labour and had wanted to find legislation which would have enabled me to investigate any of the matters referred to in the motion, that I would have found sufficient scope in the authority given me by the act of 1923 to instruct the registrar under

the Combines Act to proceed with an investigation. If the inquiry justified the belief that there was a combination which was restraining or affecting trade in some manner, then there is in the act authority to proceed further with the appointment of a commission to deal with the matter. That was the point which I was seeking to make so far as the Combines Investigation Act was concerned. It was not to substitute this act for what is being proposed at the moment by the motion; it was simply to state the belief that the government might have been that much farther ahead in having ready for submission to the house legislation necessary to meet any of these evils, if it had started inquiries under the act with the power given to the minister as it is provided in the legislation.

The Minister of Trade and Commerce said that there had been a very large number of investigations under the combines act. I have forgotten the figures, but he surprised me very much as he quoted them. I think what he had reference to was the number of applications which had been made and possibly the number of some slight preliminary inquiries. I have followed rather carefully the proceedings under the act and my recollection is that there have been something like fifteen substantial investigations under its provisions. Of that number, seven were initiated at the time the late Liberal administration was in office and were completed within that time. In addition, three were started, making ten altogether that owed their origin to that period; the three thus started under our administration were completed during the time the present government has been in office. Five in addition were initiated under the present administration. I mention that only for the purpose of accuracy in the record.

May I say a further word in order that there may be no misunderstanding of my attitude or of that of the party on this side of the house? We have repeatedly stated—and indeed the legislation that has been introduced under the former Liberal administration shows the evidence of our belief—that we believed there are many evils of a class which publicity would do more to cure than penalty. Certainly evils which are in the nature of anti-social practices, if that term may be used to cover what I think we all have in mind, namely, the kind of thing that enables the mean man to profit by virtue of his meanness, are perhaps more effectually cured by publicity than by aught else. Anything which will throw light upon these anti-social practices is, I believe, wholly in the public interest. Certainly the kind of practices set forth in the resolution as introduced by the government, constitutes a class of evils from which this country is to-day suffering to a great degree in common with other countries throughout the world. I doubt very much if there is a single evil that more affects the well-being of consumers than those agreements which artificially fix or control prices and one way or another restrict and hamper trade. The internal trade of our country has become honey-combed and enmeshed by secret understandings and agreements. So far as the Liberal opposition is concerned, we heartily welcome anything that will throw light upon this class of evils. I can say for the official opposition that its members will join very cordially and wholeheartedly with the Prime Minister and his friends in endeavouring to make the investigation just as thorough as it can possibly be made.

My criticism, in so far as there was a criticism of the government's proposal, was that I thought it was surprising that it should be in the fifth rather than in the first, second, third or fourth session of this parliament that the proposal for an inquiry should be made; that I felt that the motion as drafted did not go far enough; and that special reference should have been made to and emphasis placed upon the necessity for the investigation of the financial organization of industry, the wreckage that has followed as a consequence of the way in which some financial operations have been carried out in connection with business, and the effect of those factors upon the prices at which commodities are being sold to consumers.

As to the point raised by the Prime Minister just before six o'clock, I assume that he, of course, will be accorded the right to reply. I have no desire to prevent him from replying and he is most welcome to do so, but I should like to know from Your Honour whether, according to the rules of the house, any hon. member who has moved a motion of this character has the right to reply after he has spoken on the motion itself.

Mr. SPEAKER: As I understand the matter, since an amendment was moved by the hon. member for Gloucester (Mr. Veniot) seconded by the hon. member for Assiniboia (Mr. Mackenzie), that is the subject before the house and members may address themselves to that subject. If the amendment is

dealt with or if, as the hon. member for Gloucester suggests, it is withdrawn, the original motion is before the house and the Prime Minister has not yet closed the debate. When he was speaking just before six o'clock he was speaking on the amendment.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to say a few words on something the Prime Minister (Mr. Bennett) said just before six o'clock. He told the hon. member for New Westminster (Mr. Reid), who had been complaining of wage conditions in the lumber industry in British Columbia, that his remedy was to go to the provincial authorities, they having control of wages. That is, strictly speaking, correct, but there is a backwash to the subject that brings it back to the jurisdiction and to some extent to the responsibility of the Prime Minister. He said that the province was the place to go to in order to ask for the enforcement of the Minimum Wage Act. I may say that just that has been done; I did it myself. The new government had hardly had time to get photographed before I applied to them.

Mr. MACKENZIE (Vancouver): Before they came to Ottawa.

Mr. NEILL: Long before that. The answer was favourable; it was that so far as they had had time to consider the matter it was their intention to revise the Minimum Wage Act, to improve it to some extent, to remove from it the handicap of the technicality that had been discovered, and to enforce it. But I know exactly what the answer or one of the arguments against action will be. Some years ago, prior to the Tolmie government taking office, a minimum wage of forty cents an hour was established in the sawmill industry. After the Tolmie government took office, it was found owing to a technicality that was discovered, the act was not enforceable in its existing form. No attempt was made to remove the technicality and the whole act lay in abeyance as it does at the present time. But the minimum wage at that time was forty cents; now the wages are thirty cents, twenty-five cents, twenty cents and as low as eighteen cents an hour in the mill. The wage of eighteen cents an hour probably indicates an oriental, but he takes the place of a white man. As I say, I know what the answer will be. The mill men will reply that it will be impossible to pay greater wages than those indicated owing not so much to conditions of the lumber market as to its location so to speak. That is to say they have to send their product to the United Kingdom, which is a good deal like trying to make water run up hill. Coincident with that was the loss of the United States lumber market, to which up to two or three years ago we sold from British Columbia alone $20,000,000 worth in one year. At that time the duty on lumber going into the United States was $1 a thousand. It has been suggested—I think it is common knowledge—that a spirit of retaliation grew up in the United States because we put heavy duties against American products.

[Mr. Speaker.]

Mr. BENNETT: That is not so. They did not increase the duty, I suppose the hon. gentleman knows.

Mr. NEILL: Well, they put on a tax of $3; it does not make any difference whether it is called a duty.

Mr. BENNETT: All the difference in the world.

Mr. NEILL: I think it was called an excise tax, which was applicable only to the foreign imports; what is the difference? At any rate whereas before Canadian lumber used to pay $1 per thousand feet, we will not say by what name the imposition was called,—now it is $4. It was put on for a limited period, to expire in June, 1934, and we had high hopes that before it expired there would be some measure perhaps of reciprocity. I am on record in Hansard as urging on the Prime Minister before he went to Washington, the need for reciprocity with the United States on lumber and fish. However, that fell through, and the president of the United States, I am sorry to say, has extended this impost for another two years.

Then the lumber industry had to turn to the British market, where it is heavily handicapped by many circumstances. One is the long haul, something like 7,000 miles as compared with a few hundred to the States. That makes a difference of between $6 and $8 per thousand in competition with lumber from say Finland or Sweden, which is something like 50 per cent of the value of the goods f.o.b. our wharves. That is a tremendous handicap. Also there is the time lost in getting bills of lading through and getting the money back, and until recently there was a heavy loss in exchange, which has now been done away with. And there is the further fact that the market did not suit us. We want to sell our third class lumber. We had a ready and greedy market for it in the northwestern states, the hard up farmer wanted No. 3 lumber and we could supply it. Anyone can sell No. 1 lumber. But the British buyer did not

want cheap lumber, and it could not stand the cost of the long haul. He wanted first-class lumber, and also wanted it cut to standards of lengths and thicknesses different from our standards. We could not supply them out of stock; we had to have the orders specially cut, in some cases with special machinery. The United States market used to take eighty per cent of our product, but now that market is practically all gone. In 1933 we were 318,600,000 feet short of taking up the slack that we lost in the United States market, although we had an enormous increase in the Australian, Chinese and British market. It is on record, I have it under my hand from the lumber association, that the United States in 1933 took from us 551,000,000 feet less than in 1930. Of course some of that loss is due to the depression, but it indicates how much we feel the loss of that market. The lumbermen say, with some degree of truth I think, that these conditions of market in the United Kingdom do handicap them heavily in paying a wage which I think they themselves admit would be a proper one. You cannot conceive that 18 to 25 cents an hour for eight hours a day is a living wage, with our standards of living in the west.

What would be of more value to us in British Columbia than this United Kingdom market would be reciprocity with the United States in fish and lumber. I beg the Prime Minister to keep that in mind. Someone said the other day that that is not possible. But anything is possible; I think I heard a suggestion of whisky against hogs in connection with the United States and another country. If one such exchange can be arranged perhaps another can.

As far as this particular resolution before the house is concerned I heartily agree with its purpose; I compliment the Prime Minister on having brought it in, and hope it will be successful.

Mr. SPEAKER: With the consent of the house the amendment of the hon. member for Gloucester (Mr. Veniot) is withdrawn.

Amendment withdrawn.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, if I may conclude the debate, I do not desire to trespass upon the time of the house except to correct, as a matter of record perhaps, as my right hon. friend would say—

Mr. SPEAKER: I do not like to interrupt the Prime Minister, but I would call the attention of the house to the fact that if the Prime Minister speaks now he closes the debate. Does any other hon. member wish to speak on the main motion

Mr. BENNETT: I desire only to correct some misapprehensions.

The common law of England declared in what was known as the Great Mogul steamship case, that all restraints of trade and associations are of course not illegal. Associations of farmers, of workingmen, of manufacturers, of producers, it mattered not who, were not illegal; and the common law to that effect still prevails largely in England. On the continent, of course, cartels are largely favoured. There are two world cartels that are very well known by all those who have to do with trade in these days; one has to do with chemicals and chemical products, and the other with steel. The one with respect to steel is perhaps not quite as effective as the one that has to do with chemicals. However, when it became apparent, shall I say, about the middle of the nineteenth century, that in new countries combinations were operating to the detriment of the consumer to such an extent that they could no longer be endured, legislation was passed by many countries. In the United States the Sherman Act was passed, aimed at ending combines. The Supreme Court of the United States dealt with the great tobacco case, and with the United States Steel case, under the Sherman Act, and with many cases that arose out of combinations in that country.

In this country, as the right hon. gentleman said, in 1910, while he was Minister of Labour, an act was introduced respecting combines that adopted the British common law principle, namely that all combinations were not illegal nor per se bad, but only if they had certain effects; one for instance being unduly enhancing prices, another unduly restraining trade—and very frequently the word "unduly" appeared in consequence of the recognition of the legality of combinations on the one hand and the desire to prevent them from bringing about an improper condition in the body politic on the other. There were two or three notable prosecutions in this country in the criminal courts under the provisions of our criminal code. One was in Brantford; one was against the grain exchange in Winnipeg; one was against the lumber combine in western Canada. When I was much younger than I am now I defended that action. One paragraph in the articles of association, in my judgment when I first saw the case, was fatal to their contention; it was upon that article that they were found guilty and fined, and the combine for the moment

disappeared. There have been, of course, several combines in this country that have been held to be not illegal.

In 1923 the present act was framed and placed upon the statute book. Its legality was upheld, if my memory serves me aright, by the privy council. One of the questions that naturally suggests itself is why none of the things to which the hon. member for Last Mountain (Mr. Butcher) referred last night were the subject matter of inquiry under this act during the seven years from 1923 to 1930. I tried to check them up; I speak subject to correction, but I think every one he named came into being between 1923 and 1930, and there was not a single inquiry under the act with respect to one of them. I invite hon. members of this house to look at the statute, to look at the speech of the hon. member for Last Mountain and to look at the dates when these various organizations came into being, and then ask himself that question. The truth is that in days of, shall I say, abounding prosperity—

Mr. YOUNG: That is it.

Mr. BENNETT: —so as to please my friends opposite, when we still had a tariff, I would remind the hon. member for Weyburn you had perhaps fewer demands for inquiries under the statute, but does anyone in this house who read the history of the cement reorganization not ask himself why the government did not institute an inquiry under this act? I can point to other cases. Were the government ignorant of the circumstances under which the bakeries came into being as subsidiaries of the milling companies? Were they, or were they not? So far as my memory serves—and I speak again subject to correction, for I have not looked into these matters at all and am relying only on my memory—the Maple Leaf Milling Company established a subsidiary in the days of Mr. James Stewart, and that made it essential for other milling companies who desired to sell flour to bakeries also to establish subsidiaries.

That is the bread item. Why was no inquiry under the combines act initiated in that case? Why was no inquiry ever suggested with respect to it? There are two cases. I am not going to take the time of the house to-night to go over them all, though I could readily do so. The truth is that from the time the act of 1923 was enacted, so far as my information goes at the moment, 330 applications were made, and of those 142 have been dealt with since 1930, although the act was in force for seven years before the present government came into office. With respect to the fifteen cases to which the right hon. gentleman referred as being important, the truth is that eight of them came up for final determination and consideration during the present regime. They were: (1) moving pictures; (2) radio tubes and sets; (3) the bread inquiry; (4) the fruit basket inquiry; (5) the tobacco inquiry; (6) the British anthracite coal inquiry; (7) the rubber footwear inquiry, and (8) the gasoline inquiry.

Mr. MACKENZIE KING: Three of those were instituted before this government came into office.

Mr. BENNETT: My hon. friend is correct in saying that three of these inquiries were commenced before the late government resigned office. The present registrar was appointed by the late administration, and I suppose it is known to most members of this house that the government has no jurisdiction over him. We do not set in motion the machinery in connection with any inquiry, neither can we control it. When six citizens, as mentioned by the right hon. gentleman, ask the registrar to institute an inquiry he does so. Then he makes his report, and then the minister has certain responsibilities.

When the matter has reached this stage, as the hon. member for Bonaventure (Mr. Marcil) indicated this afternoon, under the constitution the provincial authorities who are charged with the administration of criminal law determine whether or not on the facts an indictment shall be preferred. If in the opinion of the law officers of the crown in any province affected it is concluded that an indictment should be preferred, the attorney general of the province assumes the responsibility of taking the necessary action. That was done recently; the case being sub judice I shall not further mention it. It was so with respect to the plumbers' case here in Ontario; it was so with respect to the moving picture case, also here in Ontario, the indictment being preferred by the attorney general of this province.

This afternoon the hon. member for Bonaventure referred to the long campaign carried on by the late Mr. Maclean in support of the proposition that we should have power to institute proceedings on behalf of the federal government. In the United States, as you know, they have their federal marshals and federal officers for the purpose of carrying on federal proceedings in the courts. Mr. Maclean urged very strongly that we should have such power in this country. That campaign never resulted in any action being taken to amend the constitution, and doubtless it

will be within the memory of some of the older members of this house that when difficulties arose in connection with the prosecution of other members of this Commons House of Parliament it became necessary to arrange with the provincial authorities for the appointment of counsel to conduct the prosecution, the necessary instructions being given by the federal authorities.

That is the position at the moment, and during the short time we have been in office we have had this large number of inquiries brought about by complaints being made to the registrar, the evidence taken and the reports made. There is no settled jurisprudence as to what is the proper interpretation of the sections referred to by the right hon. gentleman, and I hope he will pardon me if I say that the courts have decided that you cannot look to the debates in the House of Commons for the purpose of interpreting a statute.

Mr. MACKENZIE KING: I realize that.

Mr. BENNETT: Therefore what the intention was is not made at all apparent by what may have been said by those who introduced the measure; the courts, by applying the ordinary canons of construction to the language used, must determine the meaning of the statute under consideration. I say frankly that in my judgment the proposals we have made to the house in this resolution could not be met by the provisions of the combines act. I think on reflection the right hon. gentleman will agree that it is quite impossible to say that directors, meeting together as directors of a company, could under any circumstances commit an offence which would be in violation of the provisions of the combines act. The directors of the organization are the organization, and the organization does not combine with itself. In other words a combination means more than one; I think that is the way it was put in some of the cases. That being the case, you will observe from the language that has been used in the resolution submitted to the house that what was sought was not only an inquiry such as has been suggested by the right hon. gentleman but also a determination of the extent to which the power in a single organization may be utilized to the detriment of smaller organizations depending upon its trade for their existence.

That is the point that is at issue, and speaking merely as a citizen I am bound to say that I regard it as an extremely difficult problem to determine to what extent the size of corporations shall be restricted or restrained by legislative acts, and when the point arises when it may be said that size constitutes menace. There are striking illustrations in the commercial world of large corporations being decidedly beneficial to communities by increasing efficiency, reducing overhead unit costs and being able to pay better wages to those who work for them. Those of you who have taken the trouble to read the late Lord Leverhulme's Six Hour Day will perhaps recall that in his lifetime he practically created a single corporation that had control of I might almost say nearly the whole of the soap industry of Great Britain, and a substantial part of the soap industry of the world.

Mr. AHEARN: Matches.

Mr. BENNETT: No, the hon. gentleman is wrong as to that. He was not interested in that.

Mr. AHEARN: He was in that corporation.

Mr. BENNETT: May I be permitted to say that the hon. member who has introduced the subject is not at all familiar with it, or he would not have introduced it at the present moment.

Mr. AHEARN: I accept the right hon. gentleman's remark.

Mr. BENNETT: Let me proceed. The effort here is to provide a committee with power to investigate all the matters incidental to the spread between the cost of production and the price paid by the consumer. I realize that the observations made this afternoon as to the magnitude of the task are perfectly sound, but I believe that by providing for the appointment of a commission by the committee of, say, a single man, to make a definite inquiry with respect to the wages paid in a definite industry, for instance the clothing industry, or in some other industry, and reporting back to the committee, it will be enabled quickly to arrive at conclusions with respect to some of these matters. And if an article appearing in one of the trade journals to which my attention was directed inquiring as to who owns industry is to be taken as having a basis of fact, there should not be much difficulty in ascertaining what the effect is of mass organizations and chain store buying.

I think nothing beyond this can be said, that apparently the attempt this afternoon was to deprecate this effort and to suggest that it had behind it a political background. I leave it to any hon. member in this house who has been familiar with conditions in Canada during the last three and a half years,

I leave to any fairminded gentleman to say whether or not he thinks that was the proper time in which to launch an investigation such as this. The president of the United States in his program indicated that as recovery proceeded, certain other developments would follow, namely improved social conditions as to hours of labour, wages, compensation and matters of that kind. As I have already indicated, we believe that there are signs of permanent improvement in the world, and we desire as far as we may, entrusted as we are for the moment with power, to utilize it in such way that as recovery proceeds the benefits which follow should accrue to society at large in this country of ours and that the evils to which we now refer should not be engrafted upon the community as it recovers from its present depression. That is the reason the motion is now made. The march of recovery should be divorced entirely from those, shall I call them, excrescences which have grown up during the last fifteen or twenty years and which, in my judgment, have been so injurious to the body politic.

There was only one point referred to this afternoon which in my view is of such character that it may present difficulties to the inquiries of the committee. I refer of course to the financial structure of organizations based upon provincial laws, and having no roots under the federal law. At a conference we had with the provinces in 1933 we endeavoured to induce them to believe that it was desirable in the national interest that we should have uniform companies acts, and it will be a matter of some satisfaction to members of this house to recall that in 1933 all the premiers agreed to that proposal. We have prepared a draft act which is now in the possession of the various provinces so that they may determine to what extent they are prepared to march with us in providing uniform companies acts. That is the position at the present time. The real difficulty in connection with the financial structure has been not violations of companies acts but, in my judgment, an absence in those acts of provisions which will ensure absolute publicity as to what the real facts are. I agree with what the right hon. gentleman has said in respect of the reorganization of an existing enterprise. When returns of a company are so great that it is in a position to reduce its prices to the consumers, it should do so. If it is reorganized on a new capital structure based upon an increased number of shares that would permit of a reasonable return being made because of the large profits derived, it should be provided, as it will be in the act we suggest, that there shall be clearly stated that no reorganization of such enterprise shall take place unless there is disclosed that there were paid for this enterprise by the new company blank dollars and that its reorganization contemplates the creation of blank number of new shares upon which it is contemplated that money shall be earned. I could give you case after case, notably one I have in mind where great success followed the efforts of this concern in the enterprise of its promoter seizing upon it and buying it up, selling it to the public on the basis of, shall we say, a six or seven per cent return based upon the returns theretofore being maintained over a period of years.

I need hardly remind this house that there are thousands of men and women in Canada to-day who have been practically ruined because of the shares they bought in various enterprises in this country during the last seven years. It is a blot upon this country's financial history. When we desired to investigate, because of complaints made to the Secretary of State, we ascertained they all had provincial charters, and it was beyond our power to conduct any inquiry into the formation of those companies and their financial structure. That is one of the difficulties with which we have to deal, and I think I may say to this house frankly that the premiers of the various provinces showed a very great disposition to act in cooperation with the federal power in securing, if possible, uniformity in our companies acts. But during the last few years the action taken in connection with the sale of shares and the power that the privy council said undoubtedly the provinces had, namely, to supervise the sale of securities within their respective jurisdictions, has had a marvellously good effect in every particular. I think all the provinces have now enacted that legislation which originated in the province of Alberta, the validity of it having been sustained by the decision of the privy council.

One word more. One deprecates a discussion of the affairs of another country, but I feel quite certain this afternoon that the sudden rush I observed in the press gallery to record the words of wisdom of the hon. member for North Battleford (Mr. McIntosh), and send them by telegraph, as to the approaching failure of schemes of the president of the United States for resuscitation of industrial life in his country, will have a marked effect upon other parts of the country within the next few hours. I feel undoubtedly that will be so. But, apart from that and the effect it will have upon the

financial world at large, I do not think the contribution he made questioning the good faith of those who are responsible for those measures will be considered a very serious contribution to this discussion.

Mr. AHEARN: May I ask a question? Is not the whole public faith in this measure bound up in speed—how fast we can get it through the Commons and how fast we can get it through the Senate?

Mr. BENNETT: I think possibly the hon. gentleman is confusing two things. I am not sure just which he is confusing with the other, but I do invite my hon. friends opposite and to my right to secure as nominees to this committee those who they believe will best serve the purpose which we all have in mind. It is the purpose of the government to ask one of its members to act upon that committee, and I hope that in due course he will be elected as chairman. I assure the house that every effort that can be made towards securing evidence as to what the conditions are will be made. If we could forget that it is of greater concern to the Canadian people that curative measures should be provided than that party advantage should be gained by discussions in this house, I think it would be well. I merely make that observation.

I should like to correct my hon. friend from Comox-Alberni (Mr. Neill) who, in his anxiety to blame the retaliatory action, as he called it, of the United States with respect to lumber upon some action that had been taken here, as usual lost his sense of perspective. The real truth is that the president of the United States, as is well known, was opposed to the action that was taken, and it is well known that the house was. But it is also well known that the late Senator Jones succeeded by methods that he himself described at the moment in inducing the Senate to add to the tax bill of that time a provision whereby a tax of $3 per thousand feet was placed upon lumber that came into the United States from British Columbia and elsewhere, and it was to expire at a given date. President Hoover was opposed to it and the house was opposed to it, but the senate attached that tax provision to the measure, and rather than veto it and take the risk that was attendant upon such action as was stated in the public press at the time, the president allowed the measure to go into effect. There was no question of attaching blame upon the government for that action. The tax was imposed in that way, and it had no relation to any tariff legislation that took place here, for it was not tariff legislation itself. The result was what Senator Jones desired to bring about, a lessening of the importation into Washington of Canadian lumber. That is what he sought and that was the result. Those who live in the northwest and a number of builders in cities along the coast were annoyed that it should have happened, but it did. As perhaps the hon. gentleman knows, the excise act has not been opened, as they say, in the congress of the United States for the purpose of making any amendments to it, and until that time comes I suppose it will not be possible by discussions here to bring about a change in the laws of another country.

Mr. VENIOT: Before the Prime Minister sits down, may I ask if that American tax did not apply to all Canadian lumber, not simply to British Columbia lumber?

Mr. BENNETT: It affected all Canadian lumber, and lumber imported from any other country into the United States. I spoke of British Columbia lumber because that is what the hon. member for Comox-Alberni was interested in, and also because of British Columbia lumber going to the state of Washington for which Senator Jones was acting. But the tax of $3 per thousand feet on lumber applied to lumber imported from any country.

I commend this resolution to the house. I had not thought that it would engage the house in any extended debate, but the fact that it has, has probably served some useful purpose. If it has given us a clearer appreciation of the seriousness of the matters at issue and a more earnest desire to bring about a solution of these problems, even in the fifth session of this parliament, that will be better than failure to have done anything for seven years after the statute in relation to combine was passed.

Mr. MACKENZIE KING: I did not wish to interrupt the Prime Minister, but perhaps he will allow me one question to complete the record.

Mr. BENNETT: Certainly.

Mr. MACKENZIE KING: The Prime Minister left the inference that if it were discovered as a result of an investigation that a combine existed in violation of the provisions of the act, the one and only remedy was to turn over the whole matter to the provincial authorities to proceed by way of indictment. Is it not a fact that there are other remedies provided by the act which the federal government itself can take in the way of reduction of duties, revocation of patents and proceedings under the criminal code?

Mr. BENNETT: There are other means after the province has failed to discharge its duty.

Mr. MACKENZIE KING: I mean previously, without any reference to the province at all.

Mr. BENNETT: You cannot institute criminal proceedings except through the instrumentality of the province and the machinery they control. That was the difficulty to which Mr. Maclean referred. The question of reducing duties, revoking patents and matters of that kind is well understood. That can always be done by federal action. The federal government can institute criminal proceedings—I know one case in which it did—but it must be done in conformity or co-operation with the provincial authorities because they control the administration of criminal justice.

Motion agreed to.

Mr. BENNETT: I shall make a motion with respect to the naming of the committee after it has been settled by the whips whether a larger number than eleven should comprise the committee. Eleven is considered the maximum number for a special committee if it is to do efficient work, although there is a strong body of parliamentarians who believe that seven is the ideal number; but that is impractical in a country the size of Canada, with the official opposition, our friends to the right, and the government having to be represented on the committee, and therefore we have suggested a committee of eleven.

CENTRAL BANK

NOTICE OF MOTION OF MEASURE TO PROVIDE FOR INCORPORATION

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee on Monday next to consider the following proposed resolution:

Resolved, that it is expedient to introduce a measure to incorporate a central bank in Canada, and to provide for the appointment and salaries of the officers and staff of the bank and the appointment and fees of the directors, and to make such further provisions in respect to the functions, powers and administration of the bank as recommended by the Royal Commission on Banking and Currency in Canada.

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

Motion agreed to.

[Mr. Mackenzie King.]

BRITISH QUOTA ON CANADIAN CATTLE AND EGGS

On the orders of the day:

Mr. THOMAS REID (New Westminster): In the absence of the Minister of Agriculture (Mr. Weir) I would ask the Prime Minister, in view of the dispatches appearing in the press regarding the entry of Canadian cattle and eggs into the British market, what efforts were made by the Dominion government to bargain with the authorities in Great Britain for the entry of our produce into that market, and also has the government any information to the effect that steps are likely to be taken shortly by the British authorities curtailing the quota of Canadian cattle and eggs for the British market?

Right Hon. R. B. BENNETT (Prime Minister): Perhaps the question had better stand as a notice. The fact is that the Canadian quota with respect to a cattle, eggs and things of that sort is dealt with by the Minister of Agriculture in Great Britain after discussion with representatives of the Dominion of Canada.

BUSINESS OF THE HOUSE

COMMITTEES OF SUPPLY AND WAYS AND MEANS BEFORE ADDRESS AGREED TO

Right Hon. R. B. BENNETT (Prime Minister): Last evening the right hon. leader of the opposition (Mr. Mackenzie King) was not in his place when it was suggested that we would make a formal motion that the Speaker do leave the chair for the purpose of taking an item in supply in order to forward the business of the house and enable supply to be taken at a later date. The hon. member for West Edmonton (Mr. Stewart) directed my attention to the rule, which provides that the Speaker shall leave the chair on Thursdays and Fridays without question put. Obviously that is after he has left it for the first time, and my reading of the rule is that if a formal motion is made, that he do now leave the chair, which of course leaves the whole subject matter open for debate, he may do so on any day, whether it be Thursday or Friday. But after the house has gone into committee of supply, neither on Thursday nor on Friday will a motion be made; the Speaker will leave the chair, but no matter can be discussed in supply which has not been considered on a day other than Thursday or Friday. I think that is the correct interpretation.

Mr. MACKENZIE KING: I am sorry I was not in the house at the close of the pro-

ceedings last night. I had left word that, if the question of supply came up by any chance, I thought it would meet with the approval of hon. members on this side, rather than lose time altogether, to permit supply in one department to be gone on with provided the department was named and there were no other business with which the house could proceed. I have been looking at what took place and I observe that the Prime Minister said that he was of the opinion a formal motion could be put and the house could resolve itself into committee of supply. I believe this would require unanimous consent on a Thursday or Friday, where no item in supply had been previously called. I should think otherwise there would have to be notice in advance of any motion. I should like to direct the attention of the Prime Minister to standing order No. 57, which reads:

The house will appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

At the time the Minister of Finance moved for the appointment of these two committees, nothing was said on this side, no exception was taken at the moment. I think exception should have been taken, that the motion should not have been made until after the address to His Excellency had been agreed to. Having slipped that stage, if I may use that expression, I think we should hardly be justified in going a step further and again transgressing a rule, which evidently was intended to protect hon. members as regards adequate time in which to prepare for the subjects that are to come up for discussion. I hope, therefore, that the Prime Minister will not press the matter and ask us to take up supply to-night, seeing more particularly that there still remain several other numbers on the order paper, any one of which might now be proceeded with.

Mr. BENNETT: Standing order No. 57 was considered when the motion was made by the Minister of Finance. We read the rule to mean that in any event the motion must be made as soon as the address has been agreed to, and cannot be deferred to a later day. But there is nothing to prevent its being made earlier. You set up your committee as soon as the house is in order; but in any event you must set it up as soon as the address has been agreed to in answer to His Excellency's speech. That is the construction which we put upon the rule, although that does not mean that it is correct. It was certainly, however, what we believed would be regarded as the reasonable interpretation to place upon it. The committee of ways and means and the committee of supply are committees that must be set up at the beginning of every session under our general system of procedure, and the rule means, we take it, that as soon as the address has been adopted it must be done in any event. But that does not preclude its being done before that. That is the view we entertain. With respect to the other matter, the only reason I suggested last evening for our going formally into supply to discuss an item in finance, in justice and in public works, was that if the occasion necessitated there would be three departments that would be open for consideration by the members of the house, though we would not pass any item to-night but merely consider it.

Mr. MACKENZIE (Vancouver): Is it not the Prime Minister's conception of Rule No. 28 that it is absolutely impossible on Friday to go into any estimates unless they have been previously called on a day other than Thursday or Friday?

Mr. BENNETT: That was what I tried a moment ago to say to you, Mr. Speaker. Undoubtedly it means that you cannot consider on Thursdays and Fridays estimates that have not been considered on a previous day. But as, on Thursday and Friday, the Speaker leaves the chair without motion put, it is always competent, when there has been no supply, to make a motion that the Speaker do leave the chair, which then leaves open all the rights and privileges that belong to any member to make a speech or move a motion in amendment. Obviously that was what was meant, but if there is a doubt there is no point to-night in taking up time discussing it.

Mr. MACKENZIE KING: I think we had better hold to the rules as we have understood them heretofore. I hope the Prime Minister will not press the matter this evening.

Right Hon. Sir GEORGE PERLEY (Argenteuil): I notice that standing order No. 28 has been interpreted by some in the way the hon. member for Vancouver Centre (Mr. Mackenzie) has construed it, but as a matter of fact I am perfectly certain that that was not the intention of the order at all. In the old days you could not go into supply on any day of the week without a motion, and of course that gave an opportunity to every member to move an amendment, to air grievances, and so on. That was considered as perhaps delaying the busi-

ness of the house too much, and when this clause was put in it was for the purpose of enabling the government to go into supply, without motion, on Thursdays and Fridays, to avoid that difficulty. Then, in order to satisfy the members of the house, it was provided that no items should be taken up on Thursdays and Fridays that had not been already before the committee on some other day; but there was never any intention of taking away from the government the power to move into supply on Thursdays and Fridays in the ordinary way, making a motion which could be debated in the usual manner. I admit that it is possible to interpret the order as some hon. members have interpreted it, but I am perfectly certain that such was not the intention of the order in the first instance; and I submit to the house that it is carrying the argument rather far to say that on Thursdays and Fridays an ordinary motion to go into supply cannot be made by the government, to which motion any hon. member can move an amendment, or debate, or under which he may raise any grievance he may have, as he would on any other day of the week. It is not taking away any privileges from any member of the house if the government has the power to move, in the ordinary way, to go into supply on Thursdays and Fridays, and I am sure that this was the original intention of the rule. Perhaps the wording of the rule was somewhat defective; it was not made as plain as it might have been.

Hon. CHARLES STEWART (West Edmonton): During the eight and a half years that I was a member of the government we never, by implication or otherwise, proposed any motion to go into supply in regard to estimates that had not been already brought in by motion on the first three days of the week.

Mr. POULIOT: Quite often the cabinet ministers leave their chairs without questions being answered.

Mr. BENNETT: It might be done on the first Thursday or Friday, whatever might be done any other day. On the first Thursday or Friday that would certainly be the case.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, February 1, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, the amendment thereto of Mr. Mackenzie King and the amendment to the amendment of Mr. Gardiner.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I wish to take advantage of the opportunity offered me by the motion ably moved by the hon. member for Compton (Mr. Gobeil) and equally ably seconded by the hon. member for Fraser Valley (Mr. Barber), to make a few comments upon some of the matters referred to in the speech from the throne. First let me say that it is very gratifying that the recent interprovincial conference affords us some evidence that the people of eastern Canada are beginning to appreciate the peculiar difficulties which, for various reasons, confront the western provinces. It is unfortunate, therefore, that there should still seem to be in the minds of some the idea that the people of the western provinces have been unduly extravagant in carrying on their public business; that they have been more extravagant than have the eastern provinces. I should not have referred to this matter at this time had it not been for the speech made yesterday by the hon. member for Lanark (Mr. Thompson). I think therefore this is a fitting opportunity to place before the house some of the facts in regard to the financial conditions of the western provinces as compared with those of the east. I do not think I can do this better than by quoting from an editorial in one of the Winnipeg papers in reply to certain statements made by the Ottawa Journal and the Financial Times. The editorial reads:

There would be none of this talk if these journals knew that the record of Ontario, in regard to increase in current expenditure and in regard to increase in bonded indebtedness, is worse than the records of the western provinces which they have been berating. The current expenditure of Quebec has also grown much faster than that of the western provinces. This will all be news to the journals that have been criticizing so glibly, and it will be news to many other people; but it is perfectly true. If those journals had taken the trouble to look up the records, they would have found that current expenditures increased as follows in the provinces named:

	1911	1931
Ontario	$9,916,934	$54,846,994
Quebec	6,424,900	40,854,245
Manitoba	4,002,826	14,491,673
British Columbia	8,194,803	27,931,866

It will be seen that the rate of increase in ordinary expenditure was nearly twice as high in the two eastern provinces as in the two western provinces.

Saskatchewan and Alberta, being much younger provinces, organized only in 1905, the rate of increase in expenditure, due to their very rapid development, was naturally high and

cannot fairly be compared with that in the east. But the comparison for the last decade shows a higher rate of increase in the eastern provinces than in those two prairie provinces. The figures are as follows:

	1921	1931
Ontario	$28,579,688	$54,846,994
Quebec	14,624,088	40,854,245
Saskatchewan	12,151,665	18,202,677
Alberta	13,109,304	18,017,544

Thus, the increase for Ontario was about 95 per cent, for Quebec nearly 200 per cent, and for both the western provinces less than 50 per cent.

Now turn to the increase in bonded indebtedness, and the comparison between the records of Ontario and the four western provinces is seen to be even more strikingly in favour of the west.

Mr. BENNETT: As regards Ontario, that of course includes the hydro.

Mr. BROWN: I shall mention that later.

The figures are as follows:

	1916	1931
Ontario	$52,411,401	$499,986,000
Manitoba	30,396,274	94,201,735
Saskatchewan	24,292,044	89,123,725
Alberta	29,000,200	116,801,572
British Columbia.	21,153,146	116,050,610

These figures do not include money borrowed on treasury bills nor, in the case of British Columbia, do they include the railway debt of nearly $70,000,000. But even with those additions, British Columbia's debt increase is not relatively any greater than Ontario's, while the increases of the other western provinces are relatively far less than that of Ontario.

Much of the Ontario debt is for the provincial hydro and for highway improvements. Much of the debt of the western provinces is for telephone systems, provincial hydro systems, highway improvements and public buildings.

Since Ontario has spent money far more freely, both on curent account and on capital account, than have the prairie provinces, the Ottawa Journal would be better occupied in criticizing the "reckless extravagance" of its own province than in attacking the records of the western provinces. Nothing could equal the soaring expenditure of its own political friends who have been in office in Toronto for the last ten years.

Those figures ought, I think, to disabuse the minds of any who are still under the impression that the western provinces have been more extravagant in the management of their public affairs than have the eastern provinces. I said that the western provinces have passed through peculiarly difficult times. Not only have we had to suffer in common with all Canadians from the general world depression, but for a series of years—and the end is not yet—we have had the twin plagues of drought and grasshoppers. The depressed condition of world trade for which this government must bear a share of responsibility—

Mr. BENNETT: Oh!

Mr. BROWN: The Prime Minister (Mr. Bennett) had not been listening until I made that statement.

Mr. BENNETT: Yes, I had.

Mr. BROWN: I say again, then, that the depressed condition of world trade for which this government must bear a measure of responsibility—I think that is moderate language—would in itself have struck a severe blow at western agriculture. But it would not in itself have necessitated the relief measures that have been found necessary to provide men and women and children with food and clothing and to provide fodder for starving live stock. Here let me pay tribute to the people of eastern Canada, working in most cases through their churches, which the mayor of Winnipeg, who often talks foolishly, says have failed.

Mr. YOUNG: In that case he did.

Mr. BROWN: But I wish to pay tribute to the people of eastern Canada, who have so generously—

Mr. BENNETT: Hear, hear.

Mr. BROWN: —given of their means and sent many carloads of food and clothing to relieve distress in the stricken area.

Some hon. MEMBERS: Hear, hear.

Mr. BROWN: My own immediate district has not suffered as severely as have many other districts. But I made a tour through the western and southern part of my constituency after harvest last fall, and I found conditions in many cases deplorable. I found them such that only extreme suffering could result during the winter season. Perhaps the statement made by the premier of Manitoba will impress upon the minds of eastern people the real condition in which the western provinces find themselves in this time of distress. Speaking at the United Farmers' convention in Portage la Prairie in November last, Premier Bracken made this statement, that the income of the three prairie provinces during the last four years was $1,800,000,000 less than during the preceding four years. Think of it!

Mr. BENNETT: Is that the income of the provinces?

Mr. MACKENZIE (Vancouver): Not of the governments, of the people.

Mr. BROWN: The general income of the people of the provinces.

Mr. BENNETT: I think that must be wrong.

Mr. BROWN: Is it any wonder, if that be true, and I do not think there is any reason to doubt it, that the revenues of our municipalities and provincial governments have been so reduced that it has been absolutely necessary for them to appeal for help?

The Prime Minister quoted many figures the other day to show that general trade conditions are improving. I am not disposed to question those figures; they may be perfectly correct. But I want to emphasize the point made last night by the hon. member for Brome-Missisquoi (Mr. Pickel) that the improvement has not yet reached the farmer. I listened in a few days ago to a conversation among a group of farmers, and the consensus of opinion was that conditions are worse to-day in that old settled community in southern Manitoba than they had ever been—worse than in the hardest pioneer days through which we passed more than fifty years ago. One of the difficulties facing the people to-day is not only that municipal and provincial revenues have been reduced, but there is a tremendous personal burden resting upon the farmers. The municipalities and provincial governments naturally cannot get revenue when the source of that revenue has almost completely dried up. The great problem that confronts us to-day is, what are we to do with that great burden of debt? We have our debt adjustment boards, I think in all three provinces, certainly in Manitoba; but up to the present all the authority that has been given to them is to secure a delay of proceedings, to prevent creditors from taking immediate drastic action. There are those who tell us that these debt adjustment boards are doing more harm than good, that they are drying up the sources of credit so that farmers cannot borrow a dollar. I am not yet prepared to adopt that view. But there can be no question that these methods cannot be continued indefinitely; at some time we must have a showdown.

What is to be done? I fully appreciate the difficulties of the situation, I fully appreciate the fact that we cannot divide debtors and creditors into two distinct classes and say to one class: You must forego the debts that are due you from the other class. I fully appreciate the fact that the loan companies are largely financed with the money of men and women who have put their life savings into these companies. I appreciate the difficulty, but there is a problem that the people of Canada must face at some time. Much is being said to-day about the farmers' need of short term and intermediate credit. In my judgment there is nothing that would justify a farmer in borrowing money to-day except to meet some extreme emergency or to refund a debt at a lower rate of interest. There is no single agricultural activity into which a farmer can enter that would warrant his borrowing a single dollar with any hope of making sufficient profit to repay the principal with interest. That is the situation that confronts the people of western Canada to-day.

I want to refer now to the wheat agreement. This agreement is being enthusiastically advocated in some quarters and strenuously opposed in others. I shall try to speak moderately, but I will say this, that I look upon it with a great deal of fear. My fear is that an agreement of this kind, instead of remedying the difficulty, will simply encourage the importing countries in the uneconomic policies that they are pursuing. To try to meet one economic ill, or something that has resulted from uneconomic policies, by adopting another plan of doubtful economic wisdom is to my mind a very uncertain experiment.

Granting for the moment, however, that the scheme be theoretically sound, it seems to me that the difficulties involved in putting it into practical force are almost insuperable. I asked the Prime Minister when he was speaking on the subject what steps the government were taking to give effect to the agreement. His reply was to the effect that no steps were necessary at the moment, that there would be no need to do anything until there was an indication that the quota would be exceeded. I cannot see how the agreement which he has made can be carried out unless the government is prepared to take charge of the whole thing, the buying and the selling of the wheat. Not that I am particularly in favour of that, but I do not see how it is possible to give effect to the agreement unless they do that. Are we to go on simply in a haphazard way until the time comes when the quota has been almost reached and then have the government step in and take control? It seems to me that would be absolutely unfair to the different exporting countries. Certainly the matter of export comes within the jurisdiction of this government.

When we come to deal with the question of reducing acreage or putting the individual quota back to the farm the difficulties seem to me to be still more insuperable. That, of course, must come within the jurisdiction of provincial governments. Various propositions have been advanced, I know, but there has been no scheme advanced so far as I have heard that is not open to many grave

objections. I know the prairie premiers went home from the recent conference with the intention of making an investigation into the situation and deciding on action later. When they make that investigation, here is what they will find: they will find that for certain reasons there will be a very large reduction in acreage. They will find that there are many districts, in which drought conditions have prevailed for a number of years, where large areas of land will not be cropped for the reason that the owners of that land will not furnish seed. I know that condition prevailed to some extent last year. They will find that there are many farmers owning their own land who will not be able to buy seed, and that the municipalities and provincial governments will not be in a position to furnish them with seed. For that reason large areas of land will not be put under cultivation. They will find also that the menace of grasshoppers will make very doubtful the wisdom of venturing to any great extent into the sowing of wheat.

Sometimes we are told that farming is a gamble. I do not like to hear that word used in this connection, because it confuses the minds of men as to what gambling really is, but it is a term frequently used. I think we can say, however, that there are many districts in which the grasshopper menace is so great that it would seem that a man would be almost as wise to throw his seed wheat into the sea as to put it into the ground, and for that reason I think they will find that many farmers in the infested districts will act on that principle in some measure and will not risk a very large acreage. They will find also that the conditions through which we have passed in recent years, and particularly in the last year, have so reduced the supply of feed that there will be many horses found dead all over the prairies. I know that just at Christmas time a certain gentleman told me, in regard to a particular part of my own constituency, that in a seven mile drive he counted eight dead horses. Just before I left home I was told of a man who had lost four horses, and the reports that come to us indicate that hundreds of horses will die during the present winter. With these conditions prevailing—and they do prevail; I am not making any exaggerated statement—I think the prairie premiers will find that it is a matter of very doubtful wisdom to speak of acreage reduction at the present time. Indeed I think they will be very glad to find an opportunity to drop the whole thing.

Now I should like to make a few comments with regard to some of the speeches that have been made throughout the country. The Prime Minister made a speech in Toronto to which my right hon. leader referred. I did not see as full an account of that speech as did the right hon. leader of the opposition, but I was very much surprised at one brief statement which I read. Speaking of the Laurier preference the Prime Minister was reported as saying that for thirty-five years successive governments have endeavoured to correct the injury that was done to Canadian trade. Those may not be the exact words, but the effect of his remark was that for thirty-five years successive governments had endeavoured to correct the injury that was done to Canada. It seems to me that was a very strange statement to make, when we remember that some of these governments, representing certainly a large proportion of the Canadian people, did not believe that any injury had been done to Canada by those preferences which were granted to Great Britain.

Why will not hon. gentlemen opposite try to get our point of view? We get their point very easily. Their point of view is that the greatest crime that a man can commit is to bring some cheap goods into Canada. We do not hold to that principle. We believe that it would be quite possible to bring some cheap goods into Canada for the benefit of Canadians. Wherefore why should we who hold that view consider that an injury had been done to Canada by the preferences granted by Sir Wilfrid Laurier?

The Prime Minister was also wrong when he said that successive governments had endeavoured to correct this so called injury. My understanding is that successive governments did not endeavour to do so. Why should the government of Sir Wilfrid Laurier, which was in power until 1911, endeavour to correct this so called damage? In my judgment there is no evidence that any such endeavours were made.

Mr. BENNETT: The hon. gentleman evidently has not read the last memorandum from Sir Wilfrid Laurier.

Mr. BROWN: I shall refer to that in a moment. Neither did the government of the present leader of the opposition make any endeavour to correct that so called injury.

Mr. BENNETT: Has the hon. gentleman read the proceedings of the 1923 economic conference?

Mr. BROWN: I will speak about that. It is true that the Prime Minister, by referring to those things which he has just mentioned,

in his speech defending the Ottawa agreements did, by partial quotations, by statements taken apart from their context and apart from the circumstances under which they were spoken, seem to convince himself, and endeavoured to convince the people, that these governments had tried to correct this so called injury. There is one thing, however, that Liberal governments never did, or else I am greatly mistaken. They never endeavoured to force Great Britain to change her fiscal policy. I think that is a statement that cannot be contradicted, in spite of those things to which the Prime Minister referred so frequently in the course of his remarks, and to which he has now directed our attention. I say again that unless I am tremendously mistaken, and have been mistaken all these years, no Liberal government ever endeavoured to force Great Britain to change her fiscal policy.

That is what hon. gentlemen opposite say they have done. In my judgment there is no warrant for the Prime Minister to say, "We have succeeded where others have failed." Hon. gentlemen opposite say they induced Great Britain to change her fiscal policy; that is the boast that has been made by hon. gentlemen opposite in the last few years. I am not so sure that they will be always glad to boast of that fact. There may be some reason at the moment to believe that Canadian producers of farm products are receiving some benefit in the British market, but mark this: the British agriculturists have tasted blood. They have tasted protection; they are demanding more, and under the present Minister of Agriculture they are being encouraged to demand more. It is true that in the meantime he is being held back by the Ottawa agreements, but there is every reason to believe he regards those as only temporary. At the present time he does not hesitate to place duties upon empire products that are not included in the agreement. There is every reason to believe that at the very first opportunity he will yield to the demand of the British agriculturist for more protection. That is the situation. Then, I read the following from the Winnipeg Free Press of January 16, 1934:

> These plans were exposed to general view in a speech Mr. Elliott delivered recently in the south of England to the National Federation of Young Farmers' Clubs. He spoke about the government's anxiety to "improve agriculture" in Great Britain. "We have taken some drastic steps," he said, "but they are nothing to the steps we are going to take in the immediate future." Mr. Elliott then said:
>
> If we are going to live on our own resources we need to know how to do it. Unless the farmers of this country can produce food all this movement will be stopped, but it will not stop until we have had a lot of terribly nasty food at extraordinary high prices, because we are determined to make it go, and will not admit defeat for a long time. It is up to you to see that the young people know a lot about farming, because it is up to them to produce the food in the future.

Let us make no mistake; as I have said, British agriculturists have tasted blood and they are going to demand more. At that time will hon. members who have boasted that the Prime Minister induced Great Britain to change her fiscal policy be as pleased as they seem to have been in the past? The situation is very well stated in these words:

> British agricultural protectionism dates from the time when the Canadian government, leading the dominions, asked Great Britain to put duties on foreign foodstuffs. Having tasted protection against foreign competition, the British farmers want protection against empire competition too, and they are being officially encouraged.

When I was preparing my remarks I was not aware that the matter with which we have dealt all afternoon would be up for discussion. I did not take any part in the debate this afternoon, but at this time I will venture just a few words. When I read the speech of the Minister of Trade and Commerce (Mr. Stevens) I was struck with one phrase; he spoke about unethical methods of carrying on business. My attention was attracted by his remarks concerning millers and their relation to the bakers, and they brought to my mind a story about a man who was appearing before a magistrate for driving his car recklessly. Defending himself, he said: "I tooted and tooted and tooted." The magistrate replied: "Why did you not stop your car?" "Well," he said, "that is one on me; I never thought of that." That man never thought of doing the obvious thing. I wondered whether this government would be willing to do the obvious thing and, instead of tooting and tooting and tooting, take steps to correct the evils which naturally grow up under the protective system from which we are suffering to-day. That is all I wish to say in this connection at the moment.

Some hon. members have been making speeches throughout the country, and I am sorry there are not more of them, particularly those from Manitoba, in their seats. Not only have the greater lights been talking, but some of the lesser lights have been making speeches. I do not use the term "lesser lights" in any offensive manner, because I realize that some of the so-called lesser lights have in them the possibility of becoming

bright and shining lights. Among those hon. members I would not give second place to the hon. member for Souris (Mr. Willis).

It would seem that this hon. member has been making speeches, and the point he has been trying to impress upon his hearers is that he is not a high tariff man. I read the following:

Mr. Erick F. Willis, M.P. for Souris, Manitoba, was delightfully frank in his address to the Conservative Business Men's Club in Toronto.

Mr. Willis told his audience—and it must have been something of a shock to most of those present—that he represented the new type of Conservative which "makes the party a young man's party" and which does not believe in high tariffs and "all the things which historically the party was supposed to stand for."

Well, here is a new party. The province of Manitoba seems to be destined to be closely connected with new parties. In a large measure the personnel of the Progressive party came from Manitoba.

Mr. BENNETT: Mr. Crerar.

Mr. BROWN: I have no apologies to make, so far as that is concerned. The leader of the C.C.F. is also from Manitoba, and now we have a new Conservative party organized in that province. I imagine the hon. members from Manitoba and the rural members from Saskatchewan will be glad to join this party because not one of them would go out into any constituency in Manitoba and defend high tariffs. Let me say to these hon. members that when they come face to face with the electors they will not be asked whether they are in favour of high or low tariffs. They will be asked: "Are you in favour of the tariffs of this government?" That will be the question, not the question whether tariffs are high or low. The hon. member for Fraser Valley (Mr. Barber) stated in the course of his address: "We will be told that the tariffs are high. We admit they are high." Well, they admit they are high, and yet these hon. members from Manitoba are going across the country stating that they do not believe in high tariffs. When I read this statement in the press I begin to wonder just what the attitude of these men really is.

There are motions of want of confidence in the government now before the house. In his motion the right hon. leader of the opposition states that the government has lost the confidence of the country and I believe he stated there was reason to believe they had lost confidence in themselves.

Mr. BENNETT: Not that the government has lost confidence, but that "Your Excellency's present advisers" have lost confidence. Under the British North America Act his advisers are the whole of the privy council, and that means that they have a lack of confidence in themselves.

Mr. BROWN: I wondered when I read about the new party whether they also had not lost the confidence of some of those members who had hitherto been their supporters. However my mind was disabused of that point when the hon. member for Souris sent me the usual documents to be signed in the fixing of pairs. I found that he still paired with me, and is in support of and not in opposition to the government. So that while hon. members opposite talk a great deal about not believing in high tariffs they still support the tariffs which have been imposed by this government. Let me ask hon. gentlemen opposite this question: Are they in favour of a duty of twenty-five per cent on agricultural machinery? That is a question they will have to answer. Are they in favour of what was done as a result of the imperial conference, namely the placing of a twenty-five per cent duty on cream separators, and a duty on barbed wire? I would not object to carrying on a campaign with these gentlemen; they would never get away with some of the statements they are trying to put over on the people.

It was my intention to make a few comments concerning the speech made by the hon. member for Brome-Missisquoi (Mr. Pickel). I agree in very large measure with the speech that he made, but he also is in somewhat the same position as some other hon. gentlemen. He told us of the difficulties of the farmer and stated that the farmer had to have a large equipment with which to carry on his work, just as the hon. member for Marquette (Mr. Mullins) did two or three years ago, when he put on Hansard a splendid list of the implements that a farmer had to buy. But the hon. member for Brome-Missisquoi, like other hon. gentlemen, will still continue to support a government that imposes high tariffs which result in keeping agricultural machinery and all the equipment which the farmer must have at a higher price.

We can only meet the present situation, Mr. Speaker, and this will not bring us immediate relief, by first of all taking a step in the right direction. I know that times are going to be difficult. I do not think that there is anything this government can do, or a government of hon. gentlemen to my left,

or a government even of this party, that will bring immediate relief. But we can set our faces in the right direction. The last three or four years we have not been going in the right direction. We must make a rightabout face and take steps at once to put into effect the principles that will remove the restrictions from trade and allow trade to move freely between the nations of the world. Not until then will any such methods as are being attempted to-day bring about any effective measure of relief.

There was another matter to which I was going to refer, but I see that my time has almost expired, and I shall have to defer my remarks until another occasion.

Mr. MOTHERWELL: Mr. Speaker, I understand that it is agreeable to the ministry and all sides of the house that the debate be now adjourned and that we call it a day. I accordingly move that the debate be now adjourned.

Motion agreed to and debate adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: I congratulate the hon. gentleman (Mr. Motherwell) on the excellence of his speech, and move that the house do now adjourn.

Mr. STEWART (Edmonton): What is the business for Monday?

Mr. BENNETT: The order paper. Monday is private members' day.

Motion agreed to and the house adjourned at 9.55 p.m.

Monday, February 5, 1934

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FOREIGN TRADE STATISTICS

Mr. LUCHKOVICH:

1. What was the value of Canada's export trade in 1920 and 1929?
2. What was the amount of such export trade in the years 1932 and 1933?
3. What proportions were grain products?
4. What was the value of Canadian export trade with China and Japan, Europe, South America, United States, the United States of Soviet Russia, in 1920 and 1929, and also 1932 and 1933?
5. What was the value of imports from said countries during the said years?

[Mr. Brown.]

Mr. STEVENS:

1. Canada's domestic exports for the fiscal years 1920 and 1929, were:

Fiscal Years	
1920	$1,239,492,098
1929	1,363,709,672

2. Canada's domestic exports for the fiscal years 1932 and 1933, were:

Fiscal Years	
1932	$576,344,302
1933	473,799,955

3. The proportion of grains and products of total domestic exports, for the fiscal years 1920, 1929, 1932 and 1933, was:

Fiscal Years	Per Cent
1920	26·4
1929	40·6
1932	27·7
1933	35·5

4. Canada's domestic exports to China, Japan, Europe, South America, United States, and the United States of Soviet Russia, for the fiscal years 1920, 1929, 1932 and 1933, were:

Exports to	1920	1929
China	$ 6,665,805	$ 24,242,507
Japan	7,732,514	42,099,968
Europe	665,628,495	642,690,847
South America	14,568,230	31,517,471
United States	464,028,183	499,612,145
United States of Soviet Russia	1,492,041	2,457,492

Exports to	1932	1933
China	$ 5,908,133	$ 7,669,228
Japan	16,555,690	10,327,492
Europe	251,267,369	257,073,098
South America	8,890,776	6,562,273
United States	235,186,674	143,160,400
United States of Soviet Russia	55,197	1,776,946

5. Canada's imports from said countries during the said years, were:

Imports from	1920	1929
China	$ 1,205,229	$ 3,095,296
Japan	13,637,287	12,921,317
Europe	152,561,542	285,989,972
South America	19,097,293	26,473,076
United States	801,097,318	868,012,229
United States of Soviet Russia	14,496	236,881

Imports from	1932	1933
China	$ 3,725,558	$ 1,605,452
Japan	5,990,401	3,860,911
Europe	157,270,395	121,339,681
South America	17,281,500	10,620,427
United States	351,686,775	232,548,055
United States of Soviet Russia	18,001	539,419

PUBLIC DEBT

Mr. FONTAINE:

What is the amount of the public debt of Canada at the present time?

Mr. RHODES:

The net debt at the close of the last fiscal year—March 31, 1933—was $2,596,480,826.16. The net debt at December 31, 1933, was $2,687,122,482.26, subject to adjustments.

LOCKS BRIDGE AT PETERBOROUGH

Mr. BLAIR:

What share has the federal government agreed or offered to agree to assume of construction of new bridge to replace Locks bridge on King's highway at Peterborough?

Mr. MANION:

The Dominion government has for some time been negotiating with the provincial authorities in this matter with a view to an agreed arrangement.

RELIEF CAMPS

Mr. REID:

1. Are any relief camps being operated in the province of British Columbia by the Dominion government; if so, how many?
2. How many men are being cared for in these camps by the Dominion government?
3. How many relief camps in British Columbia are under the supervision of: (a) the Department of Labour; (b) the Department of the Interior; (c) the Department of National Defence?
4. Were any men transferred or taken to the relief camps in British Columbia, from Alberta or any other province, by the Dominion government?
5. If so, what numbers were moved and from what provinces were they taken?

Mr. CAHAN:

1. 1 Interior department.
55 National Defence department.
5 closed for winter months on account of climatic conditions.

61 Total.

2. 56 Interior department.
7,122 National Defence department.

7,178 Total.

3. (a) None.
(b) 1.
(c) 55 projects in active operation at January 30, 1934, 5 closed for winter.

4. Men have been taken from Alberta to National Defence projects in British Columbia.

5. Number moved from Alberta to National Defence projects in British Columbia to January 30, 1934, is 1,573.

NICKEL AND SCRAP IRON EXPORTS

Mr. SPENCER:

1. How much nickel was exported from Canada in each of the years 1932 and 1933?
2. To what countries was it sent in each case?
3. How many tons of scrap iron were exported from Canada in 1932 and 1933, respectively?
4. To what countries was such cargo exported?

Mr. STEVENS:

1 and 2. Canada's domestic exports of nickel, by countries, for the calendar years 1932 and 1933, were:

Exports to		1932	1933
United Kingdom	Cwt.	68,530	262,978
	$	1,272,127	6,648,908
United States	Cwt.	165,344	419,023
	$	3,924,189	9,995,125
Australia	Cwt.	—	56
	$	—	2,421
Belgium	Cwt.	—	2,781
	$	—	93,244
France	Cwt.	638	459
	$	23,280	18,154
Germany	Cwt.	2,136	5,535
	$	76,973	242,939
Italy	Cwt.	3,254	2,461
	$	121,811	113,527
Japan	Cwt.	3,705	6,363
	$	130,064	268,076
Netherlands	Cwt.	18,394	89,199
	$	642,947	3,753,957
Norway	Cwt.	58,376	91,963
	$	1,080,913	1,659,517
Newfoundland	Cwt.	6	3
	$	200	100
Spain	Cwt.	336	—
	$	11,460	—
Total exports	Cwt.	320,719	880,821
	$	7,283,964	22,795,968

3 and 4. Canada's domestic exports of scrap iron and steel in short tons for the calendar years 1932 and 1933, were:

Exports to	1932 Tons	1933 Tons
United Kingdom	58	776
United States	16,520	69,218
Belgium	–	112
China	–	163
France	–	3,728
Hong Kong	–	58
Italy	–	5,038
Japan	3,485	64,468
Netherlands	–	16
Newfoundland	5	–
Total exports	20,068	143,577

ADVANCES TO PROVINCES

Mr. EULER:

What sums have been advanced in the years 1931, 1932, 1933, 1934, respectively, to each of the provinces: (a) for payment of bonds or bond interest; (b) for general administration purposes; (c) for relief?

Mr. RHODES: (a) for payment of bonds or bond interest; (b) for provincial government purposes; (c) for relief, (including seed grain):

Manitoba	1931-32		1932-33		1933-34		Total loans outstanding, Jan. 30, 1934
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
(A) Loans	1,236,753 12	.....	.....	1,944,130 16			
Less credits	47,567 43	1,189,185 69					
(C) Loans	3,094,733 25	.....	4,532,580 35	.....	520,000 00		
Less credits	1,495,107 28	1,599,625 97	1,304,806 77	3,227,773 58	90,085 95	429,914 05	
	.....	2,788,811 66	.....	5,171,903 74	.....	429,914 05	8,390,629 45
Saskatchewan							
(A) Loans	4,034,934 12						
Less credits	100,592 66	3,934,341 46					
(B) Loans	.....	6,500,000 00	.....	387,375 34	.....	331,050 75	
(C) Loans	1,500,000 00	.....	9,346,962 04	.....	4,926,938 37		
Less credits	1,000,000 00	500,000 00	2,155,781 82	7,191,180 22	563,320 51	4,363,617 86	
	.....	10,934,341 46	.....	7,578,555 56	.....	4,694,688 61	23,207,565 63
Alberta							
(A) Loans	3,142,586 39						
Less credits	586 39	3,142,000 00					
(C) Loans	2,000,000 00	.....	2,840,000 00	.....	2,100,000 00		
Less credits	1,044,259 56	955,740 44	937,959 01	1,902,040 99	17,781 43	2,082,218 57	
	.....	4,097,740 44	.....	1,902,040 99	.....	2,082,218 57	8,082,000 00
British Columbia							
(A) Loans	.....	3,371,664 69	1,732,500 00	.....	.....	1,435,000 00	
Less credits	.....	.....	3,169,914 50	1,437,414 50	(Cr.)		
(C) Loans	2,412,500 00	.....	3,650,000 00	.....	1,600,000 00		
Less credits	971,040 81	1,441,459 19	1,299,949 03	2,350,050 97	1,311,414 68	288,585 32	
	.....	4,813,123 88	.....	912,636 47	.....	1,723,585 32	7,449,345 67

Note.—Advance payment (non-interest bearing) for accounts payable by the dominion are not included in the above statement.

WAR PENSIONS

Mr. MACKENZIE (Vancouver):

What was the total amount paid by the Dominion government for purposes of war pensions: (a) for the year ending December 31, 1931; (b) for the year ending December 31, 1932, and (c) for the year ending December 31, 1933?

Mr. MacLAREN:

	1931	1932	1933
Pensions	$40,199,310 74	$41,238,465 31	$40,633,738 04
Retroactive adjustments	3,318,176 65	1,750,914 30	1,145,489 04
Final payments restored	3,941,991, 56	832,851 23	190,168 87
Total	$47,459,478 95	$43,822,230 84	$41,969,395 95

DEPOSITS IN CHARTERED BANKS

Mr. COOTE:

1. What was the number of deposit accounts (payable after notice or on a fixed day) held by the chartered banks in Canada on July 31, 1933, or nearest available date consisting of the following amounts: $2,500 or less, over $2,500 and under $5,000, over $5,000 and under $10,000, over $10,000 and under $50,000/over $50,000?

2. What was the total value of deposits in each of the above mentioned groups?

[Mr. Stevens.]

Mr. RHODES: 1. and 2. No information. Statistics as to the number and amounts of deposit accounts are not required under the Bank Act.

NORTHERN BRITISH COLUMBIA REGIMENT

Mr. HANSON (Skeena):

What grant was given by the federal government to the Northern British Columbia regiment, 102nd Battalion, C.E.F., for the years 1929 to 1933, inclusive, giving each year separately and showing: (a) the names of those drawing salaries and the amount in each case and for each year; (b) other grants and for what purposes in each year?

Mr. SUTHERLAND:

(a) Mr. W. Howarth, part-time caretaker, Prince Rupert armoury:

1929-1930—$225 00
1930-1931— 225 00
1931-1932— 225 00
1932-1933— 202 50
1933-1934—(135 00 to 31st December, 1933. Returns not yet available beyond that date.)

(b) Pay:

1929-1930 } Nil.
1930-1931 }

1931-1932 (Company Sergeant Major H. A. Ponder $134.40)
(Provisional Sergeant A. E. Palmer $76.80)
Attendance at Royal School of Infantry, Esquimalt, B.C., 14th January to 2nd March, 1932.

Allowances:

Year	Payee	Allowance for			Total
		Command and training	Care of arms, etc.	Books and postage	
		$ cts.	$ cts.	$ cts.	$ cts.
1929-30	Lt.-Col. J. W. Nicholls	228 75	370 00	40 00	638 75
		Less value of deficiencies of stores			396 28
					242 47
1930-31	" "			40 00	40 00
1931-32	Maj. S. D. Johnstone, M.C.			40 00	40 00
1932-33	" "			40 00	40 00
1933-34	No payments yet made.				

ILES DE MAY, QUE., TELELGRAPH OPERATOR

Mr. POULIOT:

1. On what date was Mrs. Lebel appointed telegraph operator at Iles de May, on the north shore?
2. On whose recommendation?
3. On what date was this position of telegraph operator created and on whose request?

Mr. STEWART (Leeds):

1. May 1, 1925.

2. Division superintendent, government telegraph service, at Quebec.

3. November 8, 1907, on the request of Mr. R. H. Scougall, a lumber manufacturer. This is not a salaried position, but a commission office operated at 25 per cent commission on the earnings thereof, and is open only during the summer months.

PETIT CAP, GASPE, WHARF

Mr. POULIOT:

1. Has the government called for tenders for the reconstruction of a wharf at Petit Cap, between St. Maurice and Rivière-aux-Renards, Gaspe county, Quebec?
2. If so, what are the names and addresses of each tendering party, also the amount of each tender?
3. Was the contract awarded?
4. If so, to whom and for what amount?

Mr. STEWART (Leeds):

1. Yes.

2. Name—	Address	Amount of tender at unit prices
(1)	Lewis Maloney, Barachois de Malbaie, P.Q.	$ 28,253 25
(2)	Ludger Lemieux Limitée, 267 rue St. Paul, Quebec, P.Q.	28,430 37
(3)	Thos. P. Charleson, 179 Gilmour street, Ottawa, Ont.	28,975 80
(4)	A. J. Urquhart and Wm. D. Buckley, Barachois West, P.Q.	33,588 90
(5)	Dumont & Damours, Enrg., Rivière du Loup, P.Q.	39,389 25

3. Yes.

4. (a) Lewis Maloney; (b) at unit prices, $28,253.25.

*PREVENTIVE SERVICE PATROL WORK

Mr. POULIOT:

1. Have the officers of the preventive service of the Department of National Revenue and those of the mounted police, received instructions to patrol at the east of a line going from Pointe-des-Monts to Cap Chat?
2. Have they received subsequent instructions to patrol at the east of a line going from Pointe-au-Père to Cap St. Nicolas?
3. Have they received further instructions to patrol at the east of a line going from Pointe-des-Monts to Cap Chat?
4. If so, why, by whom, and at whose request were these instructions changed?

Mr. GUTHRIE: I will answer this question orally. It is not considered in the interests of the public service to give the information sought by this question. It relates to preventive work in the customs service of Canada.

CAIRO POSTAL CONGRESS

Mr. POULIOT:

1. What is the date of the opening of the postal congress at Cairo, which the hon. Postmaster General is attending?
2. Will the hon. minister remain at Cairo during the entire duration of said congress?
3. If so, will he return directly from Cairo to Canada?

Mr. DUPRE (for Postmaster General):

1. February 1, 1934.

2 and 3. No information.

Mr. POULIOT:

1. Who are the officers of the Post Office Department who are accompanying the Postmaster General to the postal congress at Cairo?
2. What are the duties of each one of these in the department?
3. What is the salary of each?
4. What amount was advanced to each one for this trip?
5. Are the advances allowed them sufficient to cover all expenses in connection with this trip?
6. Are their salaries being paid during their absence?

Mr. DUPRE (for Postmaster General):

1, 2 and 3. H. Beaulieu, Director Administrative Services, $4,320 less 10 per cent, $3,888. E. J. Underwood, Chief Superintendent of Post Office Service, Postal Service Branch, $5,220 less 10 per cent, $4,698.

4. $3,300.

5. Considered sufficient to cover estimated expenses.

6. Yes.

CANADIAN NATIONAL RAILWAYS—MR. LEONARD

Mr. DUBOIS:

1. Is the hon. Minister of Railways and Canals aware that Mr. Leonard, conductor on the train which runs from Victoriaville, St. Angele de Laval to Montreal, does not speak French?
2. If so, will proceedings be taken so that the said Mr. Leonard be replaced by a bilingual conductor?

Mr. MANION:

1. No.

2. All questions pertaining to Canadian National Railway operation must be dealt with by the Board of Trustees, Canadian National Railways, Montreal. The Minister of Railways and Canals will be pleased to bring this complaint to the attention of Hon. C. P. Fullerton, Chairman of the Board of Trustees.

CANADIAN PACIFIC RAILWAY COMPANY—LOANS

Mr. HURTUBISE:

1. Since August 1, 1930, did the government make any loan or loans to the Canadian Pacific railway?
2. If so, what were the amounts, dates and conditions of such loans?
3. Under what authority were they made?
4. Since August 1, 1930, did the government guarantee any loan or loans for the Canadian Pacific railway?
5. If so, what were the amounts and maturing dates of the loans guaranteed by the government?
6. Under what authority were such guarantees given by the government to the said railway?

Mr. RHODES:

1, 2 and 3. On October 17, 1932, $1,447,222.71 was paid to the Canadian Pacific Railway Company, under authority of P.C. 2171, dated September 30, 1932, passed pursuant to the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932, on condition that the said sum be repaid to the government, on demand, without interest, as soon as the company resumes payments of dividends at more than at the rate of 5 per cent per annum. The payment represented wages paid in November and December, 1931, to employees of Canadian Pacific Railway shops, which the government arranged to have re-opened as an unemployment relief measure.

On August 18, 1933, $1,000,000 was paid to the Canadian Pacific Railway Company, under authority of P.C. 2787 dated December 22, 1932, passed pursuant to the Relief Act, 1932, and amending order P.C. 1565 dated August 2, 1933, on condition that the said sum be repaid to the government, without interest, before any further dividends on the common stock of the Canadian Pacific Railway Company are declared or paid. The payment represented wages paid for certain periods in November and December, 1932, and

January, 1933, to employees of Canadian Pacific Railway shops which the government arranged to have re-opened as an unemployment relief measure.

4, 5 and 6. Repayment of loans of $60,000,000 to the Canadian Pacific Railway Company was guaranteed by order in council P.C. 2490 of November 29, 1933, passed pursuant to the Relief Act, 1933. The loans mature as follows, $35,000,000 on June 22, 1938, and $25,000,000 on December 1, 1938.

EXCHANGE STABILIZATION FUND

Mr. MOTHERWELL:

1. How much money was disbursed under the regulations governing the administration of the exchange stabilization fund, introduced by the Minister of Finance in the last budget?
2. Upon what date did said stabilization fund begin to function?
3. Upon what date did it cease to function?

Mr. RHODES:

1. To date, $20,568.43.
2. May 1, 1933.
3. June 20, 1933.

AGRICULTURAL STABILIZATION FUND

Mr. MacLEAN:

How much money was paid by the government of Canada under the agricultural stabilization fund, for each of the agricultural products entitled to aid from this fund, for each month of 1933?

Mr. RHODES:

Payments to date by commodities (statistics not kept by months of shipments):

Cheese		$ 5,437 33
Bacon and hams		9,006 41
Cattle		3,779 41
Eggs		409 80
Canned Lobsters		1,559 27
Canned Salmon		158 39
	$	20,350 61
Administration expenses		217 82
Total to date	$	20,568 43

DREDGE NO. 126

Mr. BRASSET:

1. Who is at the present time the watchman of the dredge of the Public Works Department at Havre aux Maisons, Iles de la Madeleine?
2. What salary does he receive?
3. Are there other persons besides the watchman who receive a salary or a remuneration from the Public Works Department in connection with this dredge?
4. If so, who are these persons, and what salary or remuneration do they receive?

Mr. STEWART (Leeds):

1. Hubert Jomphe (caretaker of dredge No. 126 and plant, laid up at Barachois, Allright island, Magdalen islands, in the municipality of Havre aux Maisons).
2. $50 a month, less 10 per cent.
3. No.
4. Answered by No. 3.

CARDIGAN, P.E.I., NO. 3 RURAL ROUTE

Mr. VENIOT:

1. Was Cardigan No. 3 rural route, in King's county, Prince Edward island, let out by tender, last year?
2. Were tenders of Cornelius Ryan and Joachim Sullivan equal?
3. Was the tender of Cornelius Ryan accepted?
4. If so, on whose recommendation was Ryan given preference over Sullivan?

Mr. DUPRE (for Postmaster General):

1. Yes.
2. Yes.
3. Yes.
4. On recommendation of Hon. J. A. Macdonald, M.P.

PARCEL POST RATES

Mr. ROBERGE:

1. What was the postal rate per pound in 1930 for the transportation by mail of parcels of the following weights: 1 pound, 5 pounds, 10 pounds, and 14 pounds?
2. What is the present rate for these parcels for transportation over a distance of 200 miles?

Mr. DUPRE (for Postmaster General):

1. Addressed to—

	1 lb.	5 lbs.	10 lbs.	14 lbs.
Any post office within 20 miles including place of mailing	$0 05	$0 10	$0 20	$0 25
Any post office beyond 20 miles, but within the province of mailing	0 10	0 30	0 55	0 55
Any post office in adjoining province	0 10	0 38	0 73	0 75
Any post office in second adjoining province	0 12	0 48	0 93	1 15
Any post office in third adjoining province	0 12	0 58	1 13	1 35
Any post office beyond third adjoining province	0 12	0 60	1 20	1 50

Note:—The three provinces of Nova Scotia, New Brunswick and Prince Edward Island are considered as one zone.

2. This question cannot be answered in its present form as it will be observed from the answer to No. 1 that parcel post rates are fixed on a provincial zone basis rather than on a mileage basis.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAGE EARNERS REPORTING INCOMES

Mr. WOODSWORTH:

What was the number of wage-earners (as defined for census purposes), male and female by provinces, who reported incomes for the year 1930-1931 in each of the following income class groups: (a) under $1,000; (b) $1,000 to $2,000; (c) $2,000 to $3,000; (d) $3,000 to $4,000; (e) $4,000 to $5,000; (f) $5,000 to $6,000; (g) $6,000 to $7,000; (h) $7,000 to $8,000; (i) $8,000 to $9,000; (j) $9,000 to $10,000; (k) $10,000 to $15,000; (l) $15,000 to $20,000; (m) $20,000 to $25,000; (n) $25,000 to $30,000; (o) $30,000 to $50,000; (p) $50,000 and over?

Mr. STEVENS: The Dominion statistician advises me that there will be great difficulty in answering this question as it reads at present. I spoke to the hon. gentleman about it the other day and might I suggest that it stand as an order for return with the understanding that it will be answered as well as possible in conference between the Dominion statistician and the hon. gentleman.

TRENT CANAL STAFF

Mr. BLAIR:

1. Who are the members of the Trent canal staff?
2. What are their respective positions and salaries?
3. When were they appointed?
4. How many are engineers?
5. What members of the staff are furnished with: (a) rent-free house; (b) rent-free telephone; (c) fuel and light without charge?

TRENT CANAL STATISTICS

Mr. BLAIR:

1. What tonnage carrying freight passed through the Trent canal from lake Ontario to Georgian bay during each of the years 1929 to 1933 inclusive?
2. What tonnage of other craft passed over this route during each of the same years?
3. What has been the total costs of the Trent canal detailed as follows: (a) constructions costs, repairs and betterments; (b) salaries of staffs; (c) settlement of drowned lands claims and costs of lands expropriated or purchased?

TRENT CANAL INCOME AND EXPENDITURE

Mr. BLAIR:

1. What income from the Trent canal has the federal government received during years 1929 to 1933, respectively, as follows: (a) rentals of property; (b) rentals or dues from power users; (c) tolls?
2. What was the expenditure upon Trent canal during 1932 and 1933 for: (a) salaries and wages; (b) construction and repairs; (c) all other expenditures?

[Mr. Dupre.]

TÉMISCOUATA COUNTY POSTMASTERS

Mr. POULIOT:

1. Who were the postmasters on duty in the county of Temiscouata on August 1, 1930?
2. Who are the postmasters on duty at the present time in the county of Temiscouata?
3. Who were the postmasters dismissed in the county of Temiscouata for taking part in politics, since August 1, 1930?
4. At whose request were each of these postmasters dismissed?

TRANSLATION OF DOCUMENTS

Mr. DENIS:

1. What is the cost of translation of documents from French into English or vice versa, that the Secretary of State had done outside of his department during the year ending December 31, 1933?
2. What are the names of persons who did this work, and how much was paid to each person?
3. Who translated the address of His Excellency the Governor General in 1932-1933 and 1934?
4. Who translated the treaty signed between Canada and the United States relative to the canalization of the St. Lawrence?
5. On what date did the investigation take place, mentioned by the Secretary of State on January 29, 1934, and by whom?
6. Were the investigators familiar with the French language?
7. What administrative officers have been examined by the investigators, and were their opinions recorded?
8. If so, will the government communicate these opinions to the house for discussion on Bill No. 4?
9. Has the Prime Minister or other members of the government officially asked for, or received from the officials of departments, reports, complaints or recommendations concerning the translation from the different public services?
10. If so, will these documents be laid on the table of the house before the discussion of Bill No. 4?

DEPARTMENTAL REPORTS

Mr. POULIOT:

1. How many departmental reports were produced by the members of government at the beginning of the present session?
2. How many of these reports were produced: (a) in the English language; (b) in the French language?

MOTIONS FOR PAPERS

YOHO NATIONAL PARK MINING CLAIMS

Mr. NEILL:

For a copy of all correspondence, evidence, reports and agreements between the Dominion government, or the Department of the Interior, and A. B. Trites et al, or Base Metals Mining Corporation, Limited, relating to certain mining claims in the Yoho National park during the period between the 1st day of March, 1924, and date.

KOOTENAY PARK MINING CLAIMS

Mr. NEILL:

For a copy of all correspondence, evidence, reports and other papers and documents passing between any member or official of the government and any other parties, relating to the staking, recording, assessment work, or in any other way, to the Albion group mining claims, Nos. 1, 2, 3, 4, 5 and 6, in Kootenay park, British Columbia, such return to cover the period from March 1, 1929, to date.

LA DURANTAYE, QUE.—MAIL CONTRACT

Mr. BOULANGER:

For a copy of the complete file in connection with the cancelling of the contract dated April 29, 1933, for the distribution of the rural mail at La Durantaye, Bellechasse county, and relative to the request for tenders for a new contract.

"FORTY DAYS IN CANADA" ALBUM

Mr. POULIOT:

For the production of a copy of the album entitled "Forty Days in Canada," distributed by the Post Office Department.

QUEBEC COLONIZATION PROPOSALS—TÉMISCOUATA COUNTY

Mr. POULIOT:

For a copy of memorandums bearing numbers 48, 54, 56, covering the work which the Department of Colonization of the province of Quebec proposed to have done in the parishes of St. Elzear, St. Emile d'Auclair and St. Benoit de Packington, Temiscouata county, and which were sent to the federal government for approval on August 30, 1933; also copy of all the correspondence, reports, telegrams, petitions, concerning the said work.

ST. CHARLES DE BELLECHASSE, QUE.—MAIL CONTRACT

Mr. BOULANGER:

For a copy of the complete file relative to the calling of tenders for the contract which has just been awarded by the Post Office Department for the transportation of the mail between the station and the post office of St. Charles de Bellechasse.

CHARLES T. A. HART

Mr. GIROUARD:

For a copy of all letters, correspondence and other documents, and reports made on Charles Theodore A. Hart, formerly an employee of the Department of National Revenue, income tax branch, concerning his activities as an employee of the government in Drummondville, Quebec.

PETIT CAP, QUE.—WHARF

Mr. POULIOT:

For a copy of all correspondence, telegrams, documents, requests for tenders, tenders, reports, plans and estimates, concerning the reconstruction of a wharf at Petit Cap, between St. Maurice and Riviere-aux-Renards, Gaspe county, Quebec.

AMÉDÉE JEAN, ST. ANTONIN, QUE.—POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, telegrams, requests and reports, concerning the appointment of Amedee Jean, as postmaster at St. Antonin, Temiscouata county, Quebec.

PRINCE RUPERT, B.C.—ELEVATOR

Mr. HANSON (Skeena):

For a copy of all correspondence, telegrams, tenders, contracts, and other documents, relating to the leasing of the government elevator at Prince Rupert, British Columbia.

THREE RIVERS, QUE.—ICE BRIDGE

Mr. POULIOT (for Mr. Dubois):

For a copy of all documents, correspondence and telegrams, relative to the breaking of the ice bridge between St. Angele de Laval and Three Rivers, on January 19, 1934.

MONTREAL POST OFFICE—JEAN BRUCHESI

Mr. POULIOT:

For a copy of all correspondence, recommendations, reports, orders in council, in connection with the appointment of Mr. Jean Bruchesi, of Montreal, to a position in the Post Office Department.

MAURICE LEBLANC, BONAVENTURE, QUE.—PAY LISTS

Mr. MARCIL:

For a copy of the pay lists in connection with the works done for the Department of Public Works by Maurice Le Blanc, in Bonaventure parish, Bonaventure county, during the year 1931.

PASSPORT, 1934—POSTMASTER GENERAL

Mr. POULIOT:

For a copy of the passport granted to the Postmaster General for his trip overseas in 1934.

Mr. SPEAKER: This motion I consider out of order, it is frivolous.

Motion dropped.

PASSPORT, 1934—MR. JEAN BRUCHESI

Mr. POULIOT:

For a copy of the passport granted to Mr. Jean Bruchési, of Montreal, for his trip overseas in 1934.

Mr. SPEAKER: This I also hold to be out of order, as frivolous and not pertinent to the business of the house.

Motion dropped.

RAILWAY ENGINEMEN—MONTREAL AGREEMENT

Mr. POULIOT:

For a copy of the Montreal agreement relating to locomotive engineers and firemen, and also copy of the amendments to same.

Mr. MANION: Mr. Speaker, in regard to that motion, the government has no copy of that agreement, as it was an agreement made between the management and the men. However, I have no objection to it passing, if the hon. gentleman wishes, I will ask Mr. Fullerton for it, and if he cares to give it to me I will table it.

Mr. POULIOT: I am perfectly satisfied, and I thank the hon. Minister of Railways for his courtesy to me. I wrote to Mr.—

Mr. SPEAKER: Order.

Mr. POULIOT: I wanted to be gracious!

"FORTY DAYS IN CANADA" ALBUM

Mr. POULIOT:

For a copy of the letter addressed by the hon. the Postmaster General to His Majesty George V, in forwarding him a copy of the album entitled "Forty Days in Canada," and copy of His Majesty's reply.

Mr. DUPRE: I have no objection to this motion being carried, but I may say immediately that there was no such letter written by the hon. Postmaster General to His Majesty the King.

Mr. POULIOT: Then I move to amend by asking for a copy of his dedication.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: I think probably the motion will be dropped.

Motion dropped.

UNEMPLOYMENT RELIEF

REDUCTION OF HOURS OF LABOUR AND INCREASE OF PURCHASING POWER

Mr. A. A. HEAPS (North Winnipeg) moved:

Whereas, there still exists in Canada an acute unemployment problem, and

Whereas, it is desirable that as many as possible of these unemployed should be absorbed into the industrial life of the nation;

Therefore be it resolved, that, in the opinion of this house, the government should take into immediate consideration the necessity of reducing the hours of labour of those engaged in industry, and also increase the purchasing power of the masses of our people in order that they may absorb the goods produced, thereby creating a more equitable distribution of our wealth production.

He said: The motion I am submitting to the house to-day is very similar to one which I introduced a year ago and which was not accepted by the government. Immediately after the house prorogued, in June last I resubmitted this motion, and although it is about seven months since that I felt at the time that the problem of unemployment would be just about as acute at the beginning of this session as it was at the previous session.

Those who have read the resolution will observe that it could be divided into three parts; one dealing with the question of purchasing power by the great masses of our people, the second dealing with the reduction of the hours of labour, and the third with the question of more equitable distribution of the wealth produced. To me, Mr. Speaker, probably the most important of the three parts is the one that deals with the increase of purchasing power of the masses of our people. In the increase of opportunities to consume more of the goods produced lies, in my opinion, the crux of the present economic situation. To me that is the only way we can begin to bring about a solution of the present unemployment situation. I feel that if we are going to settle the problem of unemployment there must be achieved a reasonable balance between production and consumption. At the present time production altogether outstrips consumption, and because of that unbalanced situation we have vast numbers of people in our dominion both on the farms and in the cities, who produce enormous quantities of commodities without having opportunity to consume the goods which they themselves produce. It has been suggested quite recently in this house, as well as in other places, that we ought to cut down on our production. I think that is the wrong way to set about arriving at a readjustment of our economic condition. I would far rather attempt to increase the consumptive opportunities of the people, instead of cutting down on their productivity. In fact only a short time ago the Minister of Finance (Mr. Rhodes), who I see in his place, was in Europe, and while discussing the wheat proposals of the various governments he suggested that instead of cutting down on wheat production they ought to attempt to increase the consumption in various parts of the world. I quite agreed with the sentiments then expressed by the minister, and I thought what an excellent thing it would be if he would in Canada preach here exactly the same thing he preached at the conference in London. The cutting down of our production is a form of industrial sabotage to which I am very much opposed. I feel that by cutting down production ultimately we are bound to have a reduced standard of living, and of course I am opposed to any reduction of our standard of living in Canada. I would far sooner see every effort advanced to bring about that increased consumption to which I have re-

ferred, and a little later I will attempt to explain what I mean by that statement.

To-day we have a huge surplus of commodities. Often this is termed over-production but I think properly it should be termed the surplus production which should have gone back into immediate consumptive channels, to those who directly and indirectly served in its production. We find a tremendous spread between the return to the labourer or the farmer and the prices paid for different commodities. I think in our industrial life it is taken for granted that even the best wages do not represent more than about one-third the cost of what the labourer produces, so two-thirds of the value of the commodities produced go, in profits of one form or another, to those who neither toil nor spin.

I ask for a reduction in the hours of labour, and why do I do that? It is not because men do not want to work; given the opportunity I think men are only too anxious to perform some useful function in our social life. I ask for a reduction in the hours of labour because to-day we have reached the stage in our technical progress and industrial advancement where it is not necessary for men and women to work the long hours that they are compelled to work at present. Just before coming to the chamber this afternoon I received a letter from one of the large industrial centres of Quebec which stated that in a certain industry girls are working 69½ hours per week for a wage of about $8. Men are working somewhat similar hours at high speed and with great efficiency, producing goods far in excess of what can be consumed either here or elsewhere. To-day there is no limit to our productive capacity; I think that is becoming generally recognized on all sides. If we have reached the stage in our technical progress when we can produce more than sufficient to satisfy all our requirements in a comparatively short time, then I think it may be said with a great deal of truth that the masses of the people have earned the right to greater leisure than they have enjoyed in the past.

In this dominion we have vast numbers of men and women who are out of work, as well as great numbers who are working on short time; in addition we have quite a number who are employed. I should like to put this proposition to the house: Supposing all the able-bodied men and women who are capable of performing a useful function in society were put into productive and useful employment; how long would it be necessary for that human energy, so harnessed to the machinery of production, to work in order to produce enough to satisfy all our human requirements? I venture to say that in the course of about twenty hours per week, on the average, there would be sufficient produced to satisfy all our needs and also allow for a reasonable surplus. There are men who have gone into this question rather carefully from a statistical point of view and they claim that with even less than twenty hours of work per week there could be sufficient produced, with the use of modern equipment, to satisfy all our requirements. Then, as I said before, if there has to be a reasonable balance between consumption and production, we have to see that the hours of labour are not in excess of what our consumptive needs really are. Therefore I say, Mr. Speaker, that if we are going to deal effectively with the unemployment situation in Canada it is essential that we reduce the hours of labour, because so far as I can see that is the only way we can ever hope to absorb into industry the vast numbers of men and women who to-day are out of work. Even if our industrial conditions in Canada continue to improve; even assuming that we return to the status of five or even ten years ago, of the half million or more men and women who are out of work to-day there will be hundreds and thousands who never again will be absorbed by the industrial life of this country. The other day the right hon. leader of the opposition (Mr. Mackenzie King) computed the number of people out of work as 500,000. I do not know whether or not that is a correct estimate, but according to my information I should be inclined to think it an under-estimate if anything. It is quite true that there has been a slight improvement in the past few months, but it is impossible to say whether this improvement is of a permanent or temporary nature.

Various remedies have been suggested to meet the situation. We have had the remedies brought in by the government during the past few years. We have had high tariffs introduced as a means of increasing employment; we have had public works as another means of dealing with the situation, and then we have had the granting of relief to the hundreds of thousands, in fact millions, of our people who have found themselves in the unfortunate position of being compelled to seek assistance from public bodies. The fact is that to-day we realize perhaps more than we have ever realized before that the so called remedies which have been put into effect in the past few years have not been remedies for the situation at all, for if they had been remedies we would not be confronted to-day with half a million people unemployed in this dominion.

Then may I say a word in regard to public works. Personally I am quite in favour of the government proceeding with a scheme of public works across the dominion, but even public works is not an ultimate remedy for the unemployment problem in Canada. It provides a temporary palliative to the men and women who find themselves out of employment, but perhaps when the public works are completed, with the resulting increase in the public debt, the second stage may be worse than the first. Of course these public works now proposed may be of a different character from those to which we have been accustomed in the past, which in many instances have placed heavy loads on the people. Therefore it has become generally recognized that by the creation of public works we do not in any way attempt to solve the unemployment situation but we are merely prolonging the day when the problem will have to be faced in a more fundamental manner.

Then, many years ago in this House of Commons I suggested the inauguration of a system of unemployment insurance. I have been one who, since coming to parliament have advocated some comprehensive scheme along this line to take care of those men and women who unfortunately find themselves out of work. But the unemployment situation we have to-day is of such huge dimensions that a satisfactory solution through insurance would be impossible, and secondly, our capitalistic structure could not stand the financial strain which the claims of unemployment insurance would entail. Even on the basis of paying $7 a week, a very low sum, to 400,000 people out of work there would be $145,000,000 per year involved. I have to find some wizard in this house who can tell us from where we will get that amount of money, an amount which would not be sufficient to take care of the present number of unemployed alone.

Therefore the remedies we have tried to secure redress for people out of work have failed, and we are compelled by force of circumstances to look to new channels to find ways and means of dealing with this menacing situation. This line of observation brings me to the consideration of some form of planned economy. I realize, as well as any other hon. member, that if we are going to reduce the hours of labour and increase the purchasing power of the masses of our people there will have to be tremendous changes in our present economic structure. Our government would have to take hold of the situation, and would not have to be afraid of regulating and controlling our industries. Undoubtedly there are many people who are horrified at the very thought of a government stepping in and attempting to regulate the industrial life of the country. If some hon. members would pause for a moment they would see just how much regulation and control there is in our every-day activities, and they would not be so much afraid as they appear to be when control is suggested in this house. Those who send up the greatest howl when we in this corner of the house speak of government control or government regulation, are those people who come to the House of Commons and ask for more control and regulation than is asked for by any other people in the dominion.

Let us, for example, consider our bankers. If we talk of industrial control or regulation, or industrial ownership the financial men in Canada will hold up their hands in holy horror, yet they do not hesitate for a moment to come to this government and ask for tremendous guarantees and loans for themselves. It would seem that the government which interferes in private business is all right, so long as those people get the benefit of it.

Then let us consider our industrial leaders. They would be horribly shocked at the very idea of anything in the nature of control or regulation. But who comes to this house more often than those industrial leaders and their lobbyists asking for tariff concessions, one form of control or regulation of our industrial life. It appears that the more control or tariff they can get, the worse conditions become in the particular industry affected. I am referring to some of the highly protected industries which, since receiving increased protection at the hands of this government, have actually decreased the wages paid to their employees and, in many instances also increased the hours of labour. Not only do we have bankers and industrialists seeking favours from the House of Commons or seeking some form of control, but we have our privately owned railway doing exactly the same thing. It is not necessary to do more than refer to the fact that in the past couple of years the Canadian Pacific Railway has received great favours from the government. Only recently they obtained a guarantee of $60,000,000, and about a year ago while they did not receive a donation they certainly got the next thing to it. On that occasion they received more than a million and a half dollars without interest—without interest, mark you, Mr. Speaker—to be paid back when they begin paying dividends to their shareholders. Immediately after obtaining that money, free

of interest charges, they turned around and loaned the government $2,000,000 at four per cent interest.

In spite of the fact that there are so many people in Canada horrified at the idea of government control our present government, through stress of circumstances, is being forced continually to put more government control into Canadian industrial life. In order to emphasize that point I shall make two or three observations. The present government thought it most undesirable that radio should be in the hands of private owners, and because of that the broadcasting system in Canada was placed under government control and ownership. That action was taken because the government believed radio under government ownership would serve the people to better advantage than it would if privately owned, and in view of that belief many broadcasting stations were bought out.

The government has undertaken still greater control of our railways. A commission was appointed only recently to take charge of the Canadian National railways, and in the bill which passed through parliament last year there were provisions which gave to the powers-that-be a control of the railways greater than that which has ever existed before. The tariff board, which delves minutely into the industrial life of many commercial concerns, is a form of government regulation and control. Then we have commissions of all kinds in one way or another taking charge of and regulating Canadian industry. However time will not permit me to go into greater details in this connection. Perhaps one of the most significant actions of this government since taking office was the motion on Friday, with which I am in sympathy, to appoint a committee to look into the economic, commercial and industrial conditions of Canada. As I said when the motion was before the house on that occasion, I believe the government should be congratulated upon its introduction. As a result of the motion there will no doubt be a committee to inquire into the working conditions of hundreds of thousands of men and women employed in Canadian industry; it will inquire into the methods of mass purchasing employed by large commercial establishments; it will inquire into the sweat shop conditions, about which I shall have more to say in a few moments. I believe the inquiry will disclose conditions which do not reflect credit upon the dominion or this government. A year ago, in a motion standing in my name, I asked the government to mage inquiries concerning unemployment. I suggested at that time that there be set up a board or commission to inquire into the means of eliminating unemployment, as well as into the questions of jurisdiction of the federal and provincial governments; seasonal unemployment; technological unemployment; reduction of hours of labour; increased real wages; annual productive capacity and consumption in relation thereto; potential productive capacity; and lastly, the spread between wages and prices. But the government turned down that suggestion, and of course nothing was done. But only recently they have appointed a committee that is going to inquire, not into unemployment, but into employment. Important as employment and the conditions of employment are, I think perhaps more important of the two questions is the unemployment problem which we have to face in this dominion at the present time.

The Prime Minister (Mr. Bennett) in his statement the other day referred to the sweat shop conditions and the low wages that exist in this country. It is rather a strange commentary on what has taken place in the past few years, under the policies enunciated by this government, that at the very moment when there is a little upward spurt in the industrial life of the country and in those industries that have been receiving the highest protection in the dominion, there should spring up in Canada sweat shops, side by side with those highly protected industries. If it were possible even at this time I should like to see a committee set up, not to deal merely with employment conditions, but to deal with the unemployment situation generally throughout this dominion. I should like such a committee to get evidence as to how the unemployed are living at the present tme. I should like the committee to go around to the homes of some of the unemployed and see the small amount of food which they have to consume, and see also the conditions under which the unemployed are housed and clothed, and under which their children are compelled to go to school.

But no; so far there is to be no committee that will delve into that aspect of our national life although, sir, I consider this unemployment situation as perhaps one of the greatest menaces with which parliament is faced at the present time, and as a parliament I think we have a duty and a very great responsibility. We are confronted with the condition that amongst these men who are out of work the majority have not the slightest ray of hope for the future and hundreds of thousands of them are practically sentenced

to a life of continual unemployment unless we do something radical to change the basis of our whole economic system. Many of these unemployed are simply drifting to-day, and among them can be heard the whispering of ideas which were never even entertained by them a few years ago.

We have heard hon. members of this house boast, and quite properly so, of the traditions of parliament, for after all parliament as we know it at the present time is the result of many long centuries of growth and development. It has taken practically seven hundred years of uninterrupted parliamentary government to bring us to the stage which we have reached to-day in the Dominion of Canada. In this democracy our ways of doing business are modelled after the pattern of Great Britain, and there parliamentary government goes back approximately seven hundred years, during which parliament has gone on uninterrupted in its course through all those centuries except for a brief period at the time of the revolution under Cromwell. Many people are, unfortunately, becoming tired of present institutions because when we come to deal from time to time with our fundamental problems such as unemployment, which affects the very basis of our economic life, appropriate and concrete action is not taken, or we pass the buck between the federal government and the provinces. I think the time has come when parliament should take a firm hold upon the situation and say that we are going to do something that will ameliorate the present conditions and give a ray of hope to those hundreds of thousands of men in this dominion who unfortunately find themselves idle with no prospect of work. I would dearly like to see our government do something radical to solve this particular problem. The fact that a motion of the government passed this house a few days ago to appoint a committee to make a far-reaching inquiry is an indication that at times the government is willing to make a radical departure from past precedent.

I would ask the government to look for a moment at what is happening south of the line. I am not one of those who can say at the moment whether what the people of the United States are doing is ultimately going to be a success or not, but we must give them credit for one thing, for making a tremendous effort to get out of those chaotic conditions in which they found themselves twelve months ago. But what are we doing here? We are simply going along in the same old rut, following the same old line as in past years, trusting, like Micawber, that something will turn up and bring about improvement in conditions. We have been hoping and praying for such an improvement for four or five years, but no improvement in conditions that is worth mentioning has materialized; we still have those hundreds of thousands of men out of work with no hope of ever being able to be reabsorbed into the industrial life of this country.

[Mr. Heaps.]

As I said at the outset, if we are going to deal with this question of unemployment, of reabsorbing the hundreds of thousands of men and women who are out of work into our industrial life, there is only one thing we can do, and that is to provide them with work, and the way to provide them with permanent work is not by the creation of public works, desirable as that may be as a temporary palliative. No, Mr. Speaker, the only way in which you can find them work of a permanent character is by finding a way to reabsorb them into the industrial life of the country, where they will be producing goods that will get into the consumers' hands, and where the consumer will have an opportunity of consuming the goods which he has helped to produce. If they are going to be reabsorbed into the industrial life of this country, it is obvious that if we are going to work eight and ten and twelve hours a day as people are doing at the present time, we shall be able to produce far in excess of the consumptive capacities of the people. On the other hand, if we are going to absorb these people into the industrial life of the country so that all men and women may be properly absorbed and become useful citizens instead of considering themselves, as many of them do to-day, more or less useless citizens, consuming things which they have never helped to produce, it is necessary that the work should be limited to so many hours per day.

I ask the government to take this matter very seriously into their consideration. I realize how very difficult is the task ahead of any government that attempts to attack the unemployment problem in a fundamental way, and especially when it is attempted to be tackled under our present economic structure with any hope of even partially solving the problem. But as I have said before, from my seat in this house, it appears to me that the only way we can begin to solve this problem is, first of all, to put into the hands of the great masses of our people a largely increased purchasing power as compared with what they have at the present time. Secondly we must reduce the hours of labour all around in order that the unemployed can be reabsorbed into our industrial life. We must give to the great masses of our people an opportunity of consuming the goods they produce. There must

be a more equitable distribution of the wealth that is produced. We cannot have that lopsided situation which exists in this country to-day, as in other countries, where we find a superabundance on the one hand and poverty on the other. That I think is recognized by all hon. members in the house as a situation which we here perhaps shall not tolerate much longer. All parties recognize the fact that a more equitable distribution of wealth is desirable, and it is coming to be recognized everywhere that there must be a reduction in the hours of labour. The members of this house, I believe, realize now that the labourer who is worthy of his hire is worthy of something more than he has received in the past. Therefore I would ask the government this afternoon to make some statement that will impart to our men and women, all those who find themselves out of work through no fault of their own, the hundreds of thousands who are unwillingly condemned to a life of idleness, some real hope so that in the not distant future they can look forward to being reabsorbed as useful citizens into the industrial life of the dominion.

Mr. ANGUS MacINNIS (Vancouver South): I think we are all agreed that the unemployment problem is the most serious question that faces not only this country but practically every other nation in the world to-day. It is not merely the fact that men and women are unemployed and that they are suffering the misery and want which people in that condition necessarily suffer. The trouble is much deeper than that. There is something really more than the mere physical suffering to be considered; there is something more; the effect which this lowered standard of living will have on the future of the people of this dominion.

The social service council in the province of British Columbia held their annual meeting some little time ago and a very significant statement was made then by Miss Laura Holland, C.B.E., who by the way was one of the persons upon whom honours were conferred in the New Year's list. Apparently she was not troubled very much about whether she would receive an honour or not, but she was greatly troubled about the condition that exists to-day in the ranks of the unemployed. She said that the greatest problem facing the country at the present time was how to restore the destroyed morale of those who were affected through unemployment by this depression. This is the problem that is facing the Dominion of Canada to-day. If it were merely a matter of restoring tangible things, they could be restored just as they were restored after the war in a very short time. But when the spiritual and moral life of the people is destroyed it cannot be restored so quickly.

Now, no one can deny that deterioration in this direction has been taking place during the last four or five years. The committee on homeless men, at the same meeting, submitted a report in regard to these men. The homeless men are to a large extent young men who have reached the age of twenty-one and they are then told by the relief department in Vancouver that they are no longer eligible for relief, so that they must go to the unemployment camps. But when they go to the unemployment camps they are met with the objection that they are not homeless; their parents, they are told, are living in Vancouver and are responsible for their livelihood. But the fact is that in a large number of cases the parents themselves are on relief, so that the chairman of the committee, reporting on the matter, said that it had been amply proved that some of those young men had performed criminal acts in order that they might obtain the means of subsistence.

That is the condition that is facing the country at the present time, and this resolution, I can assure the house, is not put forward as in itself a solution of the problem. Rather, it is put forward in the hope that it will receive some consideration, as one of the major questions involved in any plan that aims at the restoration of economic stability in this country.

I remember that when two years ago the hon. member for North Winnipeg introduced a similar resolution certain objections were brought forward against it. One objection was on the usual constitutional ground, that it was not within the constitutional powers of the dominion government to deal with the question of hours of work. That may be so, but to-day the government is finding itself in the position that, no matter how sacred we may consider the constitution, that constitution, as it is at present, no longer meets the situation. The government is therefore compelled daily to do things which at other times might be considered to be outside the jurisdiction of the dominion. So that in this regard the government has certain powers which it can bring to bear upon the provincial governments in order to make them act with respect to this matter of the reduction of hours. The other objection, as far as I remember, was raised by the hon. member for Wetaskiwin (Mr. Irvine), who pointed out that the reduction of hours and the increase

of wages was impossible under the profit system. I am willing to concede that point in the long run; indeed, I am willing to go further than that and to say that the profit system itself is impossible—and the impossibility of it has been conceded by almost everyone. It is because of that that in any general plan of reconstruction, not under the profit system but under a system of producing goods to meet the needs of the people, this question must be given due consideration. A few years ago, I take it, it would have been considered quite beyond the jurisdiction of the Dominion government to take any steps in regard to the reduction of wheat acreage, but that is being done to-day, and as a matter of fact the unemployment problem is approximately on all fours with the problem of wheat production. The only way by which the unemployment problem can be solved is through the provision of work for the unemployed.

Now, the only way to provide a solution for the difficulties that confront the wheat farmers is to ensure a market for their wheat; but if you cannot ensure a market for their wheat to the extent of its production, then the idea is to restrict the supply in order to meet the demand. Well, the same applies to the labour movement. If there are not enough jobs for, let us say, one million workers at eight hours a day, then the logical solution is not to put five hundred thousand to work at eight hours a day, placing the other five hundred thousand unemployed on relief, but to put the one million workers to work at four hours a day. There is another logical reason for this. We talk about the expense of unemployment but regardless of expense, the unemployed are fed, clothed and sheltered by those who are working. It is the men who are working to produce food, clothing and shelter upon whom the burden falls ultimately, and not on those who may be called upon to supply the money tokens by which relief is financed. So that from that point of view I think it would be far more fair to put the unemployed to work and thus ease the burden of work on those who are already employed.

The first year I was here, the first regular session in 1931, I pointed out that one of the root causes of unemployment, that is, outside the general capitalistic system itself, was that the producers do not receive enough in purchasing power to enable them to consume the products of their labour, while the owning class, those who receive their rewards in rent, interest and profit, are unable to consume the remainder of the goods thus produced. But during this depression this is what has happened: the share of the national income going to the producers of wealth has been relatively decreasing and that going to those who are not producers of wealth, but owners of property, has been relatively, and in some cases actually increasing. In that regard I should like to give a few figures for the Dominion of Canada. These are for some of our sheltered industries. As regards oil refining the figures are as follows:

	1929	1932
Dividends, etc. . . .	$16,650,045	$16,758,977
Salaries and wages	8,153,000	5,980,000
Wages.	6,900,000	4,612,000

So we see that owners of property during those years of depression increased the amount that they received, but the amount that went into salaries and wages was decreased by more than one-third.

Let us take the figures for the cement industry:

	1929	1932
Dividends, etc. . . .	$1,364,870	$ 680,677
Wages.	3,263,000	1,131,000

It will be seen that wages fell by approximately two-thirds while dividends fell only about 50 per cent.

Let us look at the figures in connection with electrical apparatus:

	1929	1932
Dividends, etc. . . .	$ 2,215,413	$ 2,448,673
Salaries and wages	26,756,000	18,916,000

Here we have a small increase in the dividends and a substantial decrease in salaries and wages.

Sugar Refining

	1929	1932
Dividends, etc. . . .	$ 52,500	$ 187,497
Wages.	2,748,000	2,206,000

These figures go to show that the producers in industry have carried the brunt of the burden of the depression.

It is not contended that if wages were slightly higher there would not be any unemployment, but it is contended that if less were going into dividends and more into wages which would be used altogether in the purchase of consumers' goods, the depression could have been eased considerably. So far as I know we have not general figures for the dominion, but we have them for the United States and conditions there are similar to those here. All we need do in most cases is to reduce them according to population and we have a picture of conditions as they prevail in this country. These figures are compiled by the Federal Bureau of Foreign and Domestic Commerce of the United States in cooperation with the National Bureau of Economic Research and are for the period from 1929 to

1932. The total income distributed to individuals in 1929 was $81,000,000,000. In 1930 it dropped to $75,000,000,000, in 1931 to $63,000,000,000, and in 1932 to $49,000,000,000. In 1929 the actual earned income was $83,000,000,000 or $2,000,000,000 more than the distributed income. In 1932 the earned income was only $38,000,000,000, the distributed income exceeding the earned income by almost $11,000,000,000. Of course this latter sum was taken from reserves accumulated in more prosperous years.

There is another aspect in regard to these figures. In 1929 labour income was $59,000,000,000, or 65 per cent of the total income. By 1932 labour had lost 60 per cent of its income, while income on property declined only 30 per cent. The income of farmers declined from 6·3 billions in 1929 to 3·4 billions in 1932, or approximately 50 per cent. Thus we see again that the producers have carried the greatest share of the burden of the depression.

If we wish to come nearer home, let us take the annual report of the British Columbia Department of Labour for 1932 and we shall find the same state of affairs. This table shows the percentage of income in manufacturing industries of various kinds in the province, that goes to different classes of employees in the industries and how it has changed in the last five years:

	1928	1932
	Per cent	
Officers, superintendents and managers	9.29	12.77
Clerks, stenographers and salesmen	9.31	14.93
Wage-earners	81.40	72.30

Therefore, while the share of the total income of officers, superintendents and managers, clerks, stenographers and salesmen went up, that of the actual workers in industry went down. In my opinion there is only one logical way to deal with unemployment, or at least to ease the burdens of it, and that is through a better distribution of the income itself and then through a better distribution of the hours of labour of the workman.

I do not wish to take up any more time in connection with this matter, I believe we are all convinced of the necessity of a new approach to the question of unemployment, a new approach to the whole question of our economic condition. I hope that the government will take this matter into consideration, and that they will use whatever power they have to bring about a better distribution of income and also a better distribution of the labour that is required to produce that income.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, the preamble of the motion reads thus:

Whereas there still exists in Canada an acute unemployment problem, and

Whereas it is desirable that as many as possible of these unemployed should be absorbed into the industrial life of the nation;

This states that the unemployment problem still exists, and that something should be done at the earliest opportunity for the unemployed. I remember distinctly that during the special session of 1930, when the tariff was raised by the government after the abolition of the tariff board, this house was told by the Prime Minister that he had received assurance from the manufacturers who had been asking for higher protection that they would not dismiss any employees, and that they would pay the same wages. Members of the house cannot have forgotten that. How is it then that the unemployment problem has grown worse since? Did these manufacturers keep their promises? Some members of the house asked at the time, who were those who made such promises to the government? The facts have proved that these people have not kept their promises any better than the government kept their own.

When the government came into power the problem of unemployment was not such as it is now. We had poor people; our Lord said centuries ago, For the poor ye always have with you. It is a law of nature to have poor amongst us, but their number was much less than it is now. It has been increased by the policies of this government in spite of the numerous protests coming from this side of the house, from the official opposition as well as from my hon. friends in the corner. I am in full sympathy with the mover of this motion, the hon. member for North Winnipeg (Mr. Heaps), as well as with the hon. gentleman who has seconded it. But now we must come back to common sense which has been forgotten and put aside by this government since it has been in power, especially with regard to the unemployment problem. Last year I humbly suggested to the government to classify the unemployed. Nothing can be done on their behalf unless they are classified. You cannot take a white collar worker and put him to dig some ditches or do miner's work. It is impossible for him to do so. Last year I urged that a classification should be made with care of the unemployed by charitable societies, like the Red Cross, the Salvation Army, and the St. Vincent de Paul society in Montreal and other places in the country. I was told by one of the workers of that society in Montreal that if the in-

formation was required it could be given within twenty-four hours by those interested in that charitable work. I do not ask for that information to come from the municipalities, which are interested in paying the least possible for the unemployed; it must come from the charitable societies, those admirable and powerful organizations that exist in every large centre. During the war was it possible to apply the same remedy to all? Was it possible to apply the same cure to all the wounded on the battlefield? No, because some were gassed, others shell-shocked, others wounded in different parts of the body; each one required special and particular treatment. That is the way to deal with the unemployed; they must be classified into railway employees, clerks of different kinds, miners, agriculturists, lumbermen into every class that is trained for a special kind of work. Sir, it is a very simple, very plain suggestion that I offer to the government in all earnestness. At first I thought that the government was afraid to give information about the number of unemployed in this country. Now we have had that information, it was given from the census a year afterwards. We did not know what was the real situation about unemployment. Information was given a long time afterwards and the information given to the house was not complete because many heads of families take care of the unemployed members of their families without assistance from the government.

During the last campaign, sir, the Prime Minister said that he would end unemployment. At that time the question of unemployment was made use of in political propaganda. Processions were organized of some unemployed and supposed unemployed, who attended the meetings held by the Prime Minister and others and shouted, "We need help to deal with unemployment," though the situation then was not as serious as it is now. I have seen huge packages of postcards addressed to every community within range of the voice of the right hon. gentleman when he was speaking over the radio. They reminded me of circus advertisements; "Come and see the big bird that eats iron and steel; that is why we put it in a wooden cage." That is what these postcards made me think of. The Prime Minister was hailed as a saviour; he was said to be a genius. I give him the benefit of the doubt, but at least in his mind luck and genius were confused. People expected to hear from him his recipe for getting rich, but he could not give it, for who can give a recipe for luck? The Prime Minister mistook genius for luck; luck was offended and gave him the cold shoulder and having no genius he was left in distress.

Mr. GOTT: You are certainly speaking to the subject.

Mr. POULIOT: I am explaining why the unemployment problem is not solved yet.

Mr. GOTT: The hon. gentleman said he was going to make a suggestion to the Prime Minister. Since his own leader will not adopt his suggestions why does he make them to our leader?

Mr. POULIOT: Well, Mr. Speaker, once more the hon. member for South Essex (Mr. Gott) is speaking through his hat when he is not wearing it. I am not making any suggestions to my own leader, but to the government, though very few of the practical suggestions that have come from this side, whether from the leader of the opposition (Mr. Mackenzie King) or from any humble backbencher, have been accepted by the government.

May I say, Mr. Speaker, that the unemployment problem is not settled yet, and it seems that the government are not in touch with the common people as they should be. I have told my friend the Solicitor General (Mr. Dupré) many times that he should see to it that the Prime Minister has time to concentrate and to think about the problems of the state. Hon. gentlemen opposite should see to it that no one looking for a position or for patronage of any kind should be allowed to bother the right hon. gentleman. He should have time in which to exercise his judgment. I do not say that he lacks judgment; I say that he does not make enough use of it. Since the right hon. gentleman has been in power we have had no evidence that he has very often used his good judgment in connection with any policies he has offered to the house and to the country. Now we have to speak very plainly on behalf of those who have nothing to eat and those who suffer from the cold. I say it is time for the government, the Prime Minister as well as the members of his cabinet, to concentrate on the serious problems of the day instead of boasting of miracles which they have never performed.

This brings us to the N.R.A. In a speech delivered in Port Hope last summer by one of the apostles of that experiment, he said they thought of it overnight and started to put it in operation the following day. They

must be extraordinary men, becauses I do not see how a plan such as that could be improvised overnight and put into operation the following day. We must go to the root of the situation; we must see what is the real problem in connection with unemployment. The information can be secured by the government at any time they wish it. It is essential that the foundation of a house be completed before the roof is started, so we hope the government will accept this very humble suggestion which has been made several times already. I hope they will at least get some information as to the classification of unemployed, because this great problem of unemployment never will be solved if they do not at first classify all the unemployed including those who do not receive direct relief from the state.

Mr. HUMPHREY MITCHELL (East Hamilton): Before the debate concludes, Mr. Speaker, I should like to make just one or two observations on the resolution now before the house. I should like to tell the government that this resolution is in keeping with the time-honoured policy of the trade union movement in this country, which for many years has advocated, and insisted upon with some success, a reduction in the hours of labour, with no reduction in the consuming power of the workers. To me it is almost marvellous to see the crystallization of world opinion as to the soundness of the position taken by the official trade union movement as to hours of labour in industry. Had it not been for the very necessary educational program carried on by the American Federation of Labor I believe it will be agreed that the experiment embodied in the N.R.A. would not have been possible in the great republic to the south. Notwithstanding what views we may hold as to that experiment, in my opinion it is the greatest experiment in the history of democratic nations up to this time. After all is said and done it took some courage to make the decision that was made by the president of the United States, which launched this far-reaching campaign in an effort to adjust the output of industry and agriculture to the consuming power of the people of the United States.

I believe the world at large looks upon this experiment with a great deal of sympathy, in the hope that it may prove successful and give leadership to the rest of the civilized world. I was in London during the economic conference this year, a conference that was stillborn because the leaders of national thought in the various countries there represented had not the vision and the courage to appreciate the possibilities of the American experiment. I believe that had there been a world approach to the problem of unemployment and mass production in agriculture and industry, rather than a national approach on the part of the American government an entirely different condition would to-day exist in the world. Of course, the story of what happened at the economic conference was so simple and obvious that it is scarcely worth retelling. I mean simply this, that the gold bloc went there with the definite intention of destroying the usefulness of the conference, the British delegates sat on the fence and the Americans fell out among themselves.

Since the beginning of the session there have been a number of speeches. I should like to feel that the representatives of the people would spend as much time, effort and energy on an important problem such as that which is now before us as they would in a discussion on titles, a resurrection of the old cannibal days when men wore beads around their necks and rings in their noses. I would rather see hon. members concentrate on the real problems confronting our men and women. Even in the boom days of 1928 we were confronted with the same problem. We are apt to forget those days; we are apt to forget the difficulty with which we will be confronted if we ever emerge from this depression—I mean that of being too old at forty-five. That is the real tragedy in the life of this young and growing industrial nation. That is one of the aspects of the resolution presented by the hon. member for North Winnipeg (Mr. Heaps). I believe it is fair to state that our progress is held in check by our inability to consume the products of the fields and the factories. The statement is often made to the industrial worker that his one aim should be that of increasing his leisure hours. That is not the correct view. The argument for shorter hours rests upon the practical foundation of our ability to consume in super-abundance. If this question of production and consumption is not dealt with it has the possibility of destroying the very civilization we have erected. In my view this problem is so simple that the arguments of those discussing it cannot be controverted. I believe it is fair to ask this House of Commons, reflecting as it does the aims and desires of the Canadian people, what it is going to do about it.

I believe it is fair to say that the industrial technique and makeup of Canada is somewhat similar to that of the United States. Between the years 1919 and 1933 in that

country the productive capacity of the individual increased by 83 per cent. Between the years 1926 and 1933 it increased by 30 per cent. The remedy for the change is obvious and must, I believe, follow the suggestions contained in the resolution now before us. I remember that in my first session in the house, only two short years ago, I asked a simple question of the Prime Minister (Mr. Bennett) with reference to the activities of our delegates at a meeting of the international labour office, held in Washington in the year 1919. He made light of my observations concerning the necessity for a reduction of the hours of labour. He said, "Some day you will want a six-hour working day." I said, "Yes, I will live to see the day when there will be a four-hour working day in Canada." In those two short years we have seen the government of the United States, under the policy of the N.R.A. insisting upon a six-hour day in connection with certain industries and undertakings. That, Mr. Speaker, goes to show the soundness of the vision and the position taken by the men and women who go to make up the trade union movement in Canada. The problem of hours of labour is one in connection with which the government could take a lead. I believe it is fair to say that our industrial and financial leaders have forgotten that they ever led; I question very much whether or not they ever did lead. I believe they were just carried along on a tide of enthusiasm. Had the government adopted the resolution submitted last session by the hon. member for North Winnipeg there would have been no necessity for the Minister of Trade and Commerce (Mr. Stevens) to speak as he did in the city of Toronto. Had the resolution been adopted the information would have been secured last year instead of this year. The resolution of last session would have brought out all the facts, and we would have approached the problem having in mind the points of view of the men and women engaged in various walks of life.

I sometimes wonder at our helplessness. We cannot say that science or nature has failed us. Our only difficulty is lack of common sense, and our inability to comprehend the real menace confronting us. Although matters of labour have been of international importance, unfortunately our dominion from a governmental and official standpoint has probably been more backward than any country in the civilized world. Only last year the Italian delegation to the League of Nations introduced a resolution backed by the government of that country calling for the immediate introduction of a forty-hour week into the industry of the nations connected with the labour organization of the league. While it is quite true that no decision was made, we must admit that at least one government in the world has from its own experience realized the soundness of the position which for many years has been taken by Canadian labour.

Of course, there is not much use reducing the hours of labour if at the same time we do not increase consuming power. I believe that much of our difficulty has been brought about by the avarice of the investor and of the business men and financiers of this country. Unless you give the individual engaged in industry sufficient wages to buy back what he produces, inevitably you are facing trouble. You must make it possible for him and her to receive some measure of the fruits of technological progress. This is not a dream, it is not a theory; it is a positive fact predicated upon our past experience.

Those who believed that stacks of paper in 1928 were real wealth were just kidding themselves, and of course the inevitable windstorm came along and blew them out into the street. It would have been far better if they had given that money to the men and women engaged in industry with which to buy back the goods they produced, and thus keep the machine at least in some semblance of normal running order. I believe that that declaration is a fundamental around which all society revolves, and until we are willing to meet that in a practical and realistic way this depression will not show any signs of lifting. What was the greatest tragedy of the machine era? Let me say that we are at the end of an era, whether we like it or not, and those people who think that the issue is between free trade and protection are just having a pipe dream, in my judgment. In the industrial era we concentrated on the machine to the exclusion of the human element in industry. We thought that so long as we produced and produced and produced, that was the solution of the problem, and we completely forgot the human being who, in the final analysis, is the basis of all civilization and life itself.

As an apprentice boy I have seen the development of the machine. I have seen men and women displaced overnight by an advancement in the technique of industry. Let me give you an illustration to show the extent to which the thing is drifting. Once upon a time we thought that all musicians were artists; in fact, they thought so themselves. They thought that the machine would never affect their daily lives, that they were a class apart from men engaged in the

normal industries of this country. Then the "talkie" was developed, and overnight it wiped out the means of livelihood of forty thousand musicians on the North American continent. Going even a step further, the mechanical hare was developed, to be chased by the whippets on the racecourse.

When I was crossing the Atlantic this year there was a Russian violinist on board, and I made this observation. I said it was passing strange that we from the great centres of civilization had to come out into the middle of the Atlantic to see one of the great artists play in the flesh. At home we got it through the medium of the machine. I went on to say that all we need to-day to complete the circle is to bring babies into the world in cans like tomatoes, and then of course there will be no use living at all.

I believe, Mr. Speaker, that the government, in carrying out its building program announced in the speech from the throne, should set an example in fixing the hours of labour on such works at such a level that the employment possibilities under that plan would be greatly increased, and at the same time it would be setting an example to employers throughout the dominion.

Mention has been made of the necessity of amending the British North America Act in order to set in motion any machinery for carrying out the object of this resolution. I am glad to record, Mr. Speaker, that opinion in this country is crystallizing in support of the view that has been expressed from this corner of the house for many years in regard to the British North America Act. Only the other day the premier of Ontario expressed the opinion that the British North America Act was in need of revision to bring it up to the standard of modern requirements in a country so vast as Canada.

I know what the argument of the government is going to be in reply to this resolution. They are going to say that nothing can be done unless all governments in all countries of the world do the same thing. I do not believe that we can wait for that. I do not believe that it is practical to wait for that. I believe that leadership should be given by the government of the day in exploring every channel whereby the driving force of this resolution might become a practical reality, instead of the resolution simply being allowed to be another resolution of this House of Commons. I should like to leave that thought with the government in connection with this resolution. I believe that it is as pressing, if indeed not more so, as any resolution that appears on the order paper from private members of this house, as viewed from the standpoint of the industrial workers of this dominion, and I would urge the government to lend its aid in meeting this very practical problem confronting the industrial workers from one end of this broad dominion to the other.

Mr. WILFRED HANBURY (Vancouver-Burrard): I notice that in the second paragraph this resolution says it is desirable that "as many as possible" of the unemployed should be absorbed. The question comes to my mind, why did the mover of the resolution (Mr. Heaps) limit it to "as many as possible"? Why did he not say "all of those unemployed"? In the same paragraph he says that it is desirable that these unemployed should be absorbed "into the industrial life of the nation." We have another life of the nation; we have the agricultural life of the nation.

Mr. HEAPS: It is the same thing.

Mr. HANBURY: The mover says that it is the same thing, but I notice that none of those in that corner of the house representing agricultural communities has yet supported this resolution, and I would be interested in hearing their remarks in that connection. There is no question whatever that the regulation of labour must come sooner or later, but it is also a very interesting question how you are going to regulate the hours of labour in agriculture.

Again, in the third paragraph of the resolution, the mover urges the government to take into immediate consideration the matters there spoken of. I believe, Mr. Speaker, that the government and all thinking people of this country are giving consideration to this question of unemployment at all times, and I think we all recognize the necessity of some regulation of the hours of labour.

Further on, the resolution refers to increasing the purchasing power of "the masses." I really do not know whom the mover is referring to in his use of the words "the masses." I for one would like to have my purchasing power increased. Whether I am to be included in "the masses" I do not know. I think it is important that the purchasing power of all people in Canada should be increased. In the last line of the resolution he also refers to the equitable distribution of our wealth. I think it is important that we should have distribution, whether it is equitable or not. Of course, we should all like it to be equitable; but our problem to-day is that our production is not being consumed. If it were being consumed,

whether equitably or not, there would be work for those at present unemployed.

The problem referred to by the previous speaker—and I wish to congratulate him on his remarks—was that of jurisdiction. At the present time jurisdiction in the regulation of hours of labour is a purely provincial matter. In the province of British Columbia from which I come, we have had what is commonly called advanced labour legislation, with regard to the regulation of hours of work and of rates of pay. We find in that province that, with higher rates of pay and shorter hours, and with many benefits to the workers for which industry must pay we are expected to compete with provinces in Canada where there are not such regulations. It must, however, be apparent to all the members of this house that such provincial regulation is really a restriction of industry. It is not only unfair to industry itself, but by virtue of the fact that it must eventually react against the worker, it is unfair to the worker in that province to that extent.

Then we come to the question of international trade. In the lumber industry of British Columbia, assume that we are obliged as a province to pay higher wages and further to regulate the hours of labour. Now, we are attempting to do, and are doing our lumber business throughout the markets of the world, but we are faced with competition with other nations where there are not in force the same regulations, and we are faced with some competition from those provinces of Canada in which similar regulations are not to be found.

These are problems which, as the previous speaker has said, must be met. We cannot continue as we are going at the present time and maintain the same degree of democracy and freedom if we do not come to some conclusion—not just consideration, but some conclusion—and at an early date, which will bring about a re-employment of those at present unemployed.

This of course raises a very great question, particularly in its international aspect. So far as I am personally concerned, and I think I can speak for many engaged in industry in British Columbia, we are quite prepared that the government should make some regulation that might have an adverse effect on our international trade, temporarily at least. We recognize that it would be a temporarily bad influence, but I think I can say that we also recognize that the national existence of Canada is probably more important at this stage than international trade. Therefore I wish heartily to support the resolution which is on the order paper, and I would go further and suggest that instead of consideration something should be done and done at once.

[Mr. Hanbury.]

In this connection, the first practical suggestion is that the provinces of Canada should gather with the federal authority and that we should have a realignment of authority in Canada. The regulation of hours of labour, rates of pay, conditions of labour—these do not constitute the only problem that faces the people to-day; nor is this problem the only one that requires that the Act of Confederation should be reconsidered and revamped. That is the first practical step, and until it is taken I do not see how we can make progress. We shall be receiving evasions and suggestions and criticisms for all time until that step is taken, and I therefore submit in all sincerity to the government that they should do what they can to bring all the provinces of Canada into a conference that will redefine our confederation.

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, the resolution, at present under consideration by the house requests that the hours of labour be reduced, and, at the same time, wages be increased. I did not think that this resolution would be discussed to-day. After closely following the speeches which have just been made, I deem it timely to make a few brief remarks.

If you increase the wages and reduce the working hours, it is evident that the manufactured products will cost far more and, therefore, our commerce will immediately suffer from it. I wonder if it is fair to request the farmer to work fifteen hours daily to sustain the workman who would only have to work six hours per day? It is said that the farmer is not obliged to work such long hours; however, any one who has lived among them, who has been brought up on the farm, knows fully well that the farmer must rise with the sun, that he must toil many hours, has no control over the working hours, nature sees to that; for instance, the morning dew is uncontrollable.

I wonder really whether it is fair to expect the farming class to work five or six times longer than the workmen, the consumers, and for less wages.

It was stated a few moments ago that the cause of the whole evil was not the tariff, but the various mechanical contrivances invented in the course of the last half century. I cannot admit such an assertion. The real cause of the invention of machinery lies in the labour unrest which broke out everywhere. The workman always seemed discon-

tented with his lot, and man's genius applied itself to overcome the difficulties encountered, by inventing machinery to supplement man's labour. Moreover, I do not think that mechanical contrivances are actually responsible for the depression the workman suffers. Take, for instance, printing; years ago, no country hardly published any books, because it necessitated too much labour and, therefore, was too costly. To-day, there are millions of men employed in the printing of newspapers and reviews of all kinds. And if one studies the subject more closely, he will find that these mechanical devices invented to further develop printing have been the means of exploiting our timber limits as well as our pulp and paper industries, thus benefiting not only these large factories but all labouring classes of Canada. I wished to briefly point out these facts, although I am not prepared to discuss this resolution on its merits.

Mr. J. H. STITT (Selkirk): Before this motion is put to the house I should like to make a few extemporaneous remarks with regard to the proposal. I notice that the object of the resolution is to lessen the hours of labour and to increase the purchasing power of the masses of the Canadian people, and I am sure that every man in this house is sympathetic with that object.

I believe we have come in our history to a time when we must recognize that the era of the machine, as spoken of by the hon. member for East Hamilton (Mr. Mitchell) has given us in Canada and in the other industrial nations of the world a capacity to produce which means that our people are coming under the domination of the machine. In the first instance it was hoped that the machine would be the servant of man; he has now almost become its slave. I am not speaking in a way that is remarkable for one speaking from this side of the house. The other afternoon I heard a speech delivered by the right hon. gentleman who is now leader of the Senate, and referred to by the hon. member for Vancouver South (Mr. MacInnis). He spoke about the concentration of power in a turbine, for instance, which is capable of performing the work of 9,000,000 men. He spoke also of the development of power in the Muscle Shoals project now under construction by the United States government, whereby power equal to the physical energy of 18,000,000 men will be produced. He also stated that the world has now on its hands a problem of 30,000,000 unemployed and the time is coming, nay, more, it is at hand when we cannot very much longer say to those people who are out of work and who, in the words of the right hon. gentleman, are suffering degeneracy of character, that it will be sufficient if we give them the mere necessities of life. We have reached in our civilization a stage when the burning of coffee, the destruction of cotton, the cessation of the wheels of industry must be looked upon as mere palliatives. There must be more heroism in our plans and more radiical leadership. It is very hard, even in following the hon. gentlemen who have supported this resolution, to ascertain just how they are going to work out the proposals which they have made. It is very easy for any man in this house or in any other public assembly to speak for the mass of mankind, to be moved by heroic and humane impulses. It is another thing, however, to have humanity accept one's gospel or doctrine, and to work one's scheme according to the law and the conventions of the constitution under which man must work and really achieve practical results. I believe it was the hon. member for Vancouver-Burrard (Mr. Hanbury) who spoke about the difficulties inherent in the constitution. Have we not reached the time when those difficulties will have to be overcome? After all, the constitution of Canada is only a law; it is only man-made and it can be changed. If the constitution stands in the way of orderly progress, the sooner that constitution is amended in a radical and progressive manner, the better.

But I should like to draw the attention of the house to something of a remarkable nature which has recently happened in the United States. Many constitutional lawyers wondered whether the program of President Roosevelt would be possible of realization under the strict constitution which they have in that country. It is common knowledge, no doubt, to every hon. member that in the United States constitution there is a clause which says that a contract is inviolable; that is, the inviolability of contract is protected by the supreme law of the United States. Yet just the other day in a judgment handed down by Chief Justice Hughes, who is one of the most outstanding jurists in that country, and who was, I believe, a presidential candidate on the Republican ticket, he makes in effect the following statement in regard to interference with contracts: "In this national crisis, contracts must in some way be interfered with in order to make it possible for contracts to be performed at all." That is the effect of his judgment.

There are many actions that could be taken. For instance, the other day, speaking without much preparation I stated that we are face to

face with the problem of a minimum wage law in Canada. This was brought to my attention in a rather striking way just before I came to Ottawa. Invitations for tenders to supply overalls were advertised by the government. Submissions were made in accordance with that tender by clothing firms in Manitoba and Quebec, but it was impossible for the clothing firm in Manitoba to tender anything like as low a price as their competitors in Quebec, the reason being that there was no minimum wage law in that province.

Mr. HEAPS: There is.

Mr. STITT (Selkirk): My hon. friend tells me I am wrong. Perhaps the minimum was so low, it was not effective, or perhaps it was not enforced; that might be the situation. At any rate, it was impossible for this industry in Winnipeg employing many operators, scientifically organized and not paying high wages, to supply in competition with Quebec firms any kind of reasonable product as required by the government.

I should like to make an observation which occurs to me, stimulated by the hon. member for Vancouver-Burrard in speaking about the limitations of the constitution. In this parliament we have extraordinary powers under the peace, order and good government clause of the constitution, and in Canada we have reached a crisis where, even if there is an increase in employment, there is not any appreciable decrease in the number of people who are going on relief. Might it not be said that the very fabric of the nation could be preserved only by having resort to that extraordinary power and that in this crisis we have more than ordinary powers to legislate concerning hours of labour, minimum wages and labour conditions than we would have ordinarily? I think an argument could be based on the peace, order and good government clause in the constitution to enable parliament now to go further than it could in 1929 or 1930.

There are some observations that I would like to make on the proposals put forward by the hon. member for North Winnipeg (Mr. Heaps). He made the statement, I believe, that this government was wedded to a system. I do not believe that this government is wedded to a system any more than are the hon. gentlemen in that corner of the house. But we are faced with a situation which exists. I believe that the sweeping proposals enunciated in the speech from the throne, for instance that for the establishment of a central bank, are an actual facing of a situation which has been talked about for years and years, and are the best evidence that something is going to be done. The recent inquiry, moved by the right hon. Prime Minister (Mr. Bennett), in regard to our internal trade, hours of labour and spread of prices between producer and consumer, is a most radical step. I feel that I can stand in this house to-day as a man who is supported by labour and by the farmers and fishermen of my riding, and say that I support a government that is more practical and more radical and that has more power and capacity to cope with the situation than any government that ever ruled in this country or any other body of men at the present time. When I made the statement last year that I was a Radical and at the same time a Conservative I meant what I said. And I believe there is evidence to prove that. I do not think that hon. gentlemen in the corner can expect very quickly to obtain a divorce from the present system. They will not get an interim judgment of judicial separation, or a divorce within three months to be made absolute within six months. I do not think they are accomplishing much by making the statement that this government is wedded to a system. Systems are not changed overnight. Systems were not created a priori; this system has grown. Liberals have contributed to this system, Liberals so-called have protected it, Socialists have declaimed against it, Conservatives have modified it, and Conservatives may change it. I have certain proposals to lay before this house with regard to increasing employment in this country, the reduction of interest rates, and embracing the marvellous opportunity which the government has to-day.

Mr. VALLANCE: You had better come over to this side.

Mr. STITT (Selkirk): No, if I went over to that side I would only be a voice, I would have practically no power and no influence. If I wanted to play politics and perhaps be returned for the constituency of Selkirk I might go over there—

Some hon. MEMBERS: Hear, hear.

Mr. STITT (Selkirk): —mobilizing the forces of hatred and discontent but not accomplishing anything for the people of my riding or of the country.

Some hon. MEMBERS: Oh, oh.

Mr. CHAPLIN: You do not like that as well.

Mr. STITT (Selkirk): I believe, Mr. Speaker, that one of the great problems that we have to grapple with sincerely, honestly

and with courage is the problem of interest rates. Last year we discovered that the Canadian people in their corporate, governmental and private capacities were having to pay $421,000,000 of interest annually, and we had not a complete statement. It is conservatively estimated that our interest bill is $500,000,000 per annum. Now after all interest is only the wages of money.

Some hon. MEMBERS: Order.

An hon. MEMBER: What has that to do with this resolution?

Mr. STITT (Selkirk): I will tell you what it has to do with it. If we cut down interest rates in a proper way we are going to put money into the pockets of spenders and take it out of the chests of hoarders.

An hon. MEMBER: You might and you might not.

Mr. STITT (Selkirk): When you stand up there and ask me what that has got to do with it—

Mr. SPEAKER: Order. The hon. member will address his remarks to the chair.

Mr. STITT (Selkirk): I hope, sir, I was addressing my remarks to the chair. I do not want to transgress the rules of the house. Through you, Mr. Speaker, I would like to say that if the hon. gentleman who interrupted has the notion that such an idea has nothing to do with this problem, he has a very poor comprehension of the ramifications of the problem which he is trying to solve. I believe it was the hon. member for Vancouver who spoke about the degeneracy of the unemployed. Now there is no doubt that something ought to be done to assist the people who are unemployed to retain their character and their capacity.

Mr. MUNN: Mr. Speaker, on a question of privilege; the hon. member referred to the member for Vancouver. Which one? That covers a big field.

Mr. STITT (Selkirk): I referred to Mr. MacInnis, the member for Vancouver South. I believe that by mobilizing the educational forces in the country from the ranks of labour as well as from our universities, a lot could be done to make the plight of the unemployed more endurable. Of course when we look at this problem as we do this afternoon we recognize the tremendous difficulties with which we are faced. After all we are the fifth exporting nation in the world; if we are going to compete with other countries under a competitive system—and that is the system we have—we must bear in mind what the forces of competition arrayed against us are. I think the hon. gentleman who proposed this motion ought to recognize this; in fact by implication he recognized it I believe in his speech this afternoon. There is not going to be established heaven upon earth or the New Jerusalem erected in this country just by pious resolutions or by stating the plight of the unemployed and the poor in Canada. And when he talks about the health of the unemployed in Canada he ought to take note of the report by the Metropolitan Life Insurance Company which states that the health of the Canadian people was never better than it is to-day.

Mr. BOUCHER: They have plenty of rest.

Mr. STITT (Selkirk): I spoke last year in this house about the plight of the unemployed. I am worried about them, I want their condition improved. We want all the light we can get from any individual and from any corner of this house, but we can certainly do without a lot of the heat that has been engendered without light. When the hon. member for Témiscouata (Mr. Pouliot) talks about the promises and the nonperformance of the Prime Minister I would just refer him to the remarks of the hon. member for Labelle (Mr. Bourassa) the other day, who paid perhaps one of the finest tributes to the leader of this government that has ever been paid to any leader in this house, a tribute that was well-deserved. After all it is a remarkable system that we have when you look at it from this standpoint; a system that has created so much wealth, that has produced so much science, that has harnessed the energy of the world to the extent that a million and a half people in this country could be without means and yet be provided with the necessities of life and have their health guarded as has been done in these very trying times.

I do not know whether, in the summation of his argument, the hon. gentleman who introduced this notion, or this motion—

Some hon. MEMBERS: Oh, oh.

Mr. STITT (Selkirk): —can tell us how to carry out his proposal. Many motions are merely notions, Mr. Speaker; many hopes are not possible of realization, and there are many pious utterances. I do not think this resolution comes within any of those classes, however, because there is much that can be done. If we are to tackle these problems I do not think it is going to help to criticize the Prime Minister and his government for non-performance; in fact the official

leader of the opposition (Mr. Mackenzie King) has publicly stated that the Prime Minister cannot be held responsible for the situation that exists. We are living in Canada in the year 1934. There has been an economic revolution throughout the world. The Bank of England has gone off the gold standard. Russia has been trying to work out her unusual experiment. The United States of America is moving in wondrous ways, and we do not know yet whether this experiment will accomplish very much good, though we trust that it will. We are their neighbours, and with the very best of neighbourly spirit we say Godspeed to the N.R.A. and to the hopes of President Roosevelt and his advisers.

I want to thank the hon. gentleman who introduced this motion for the quiet way in which he did so and for the pleasant manner in which he advanced his arguments. I hope this house can accomplish something. I hope before long the day will come when the unemployed will not be walking our streets, when men will have more leisure to devote to the higher things of life, when we will not be grappling with a mere crass materialism which in time will destroy not only our bodies but our souls. I hope that this resolution may be something more than a notion. Possibly the government might establish a committee to go into the question and bring before this house some concrete measures by which we may hope to realize these aspirations.

Mr. J. A. BARRETTE (Berthier-Maskinongé) (Translation): Mr. Speaker, the reason I rise to speak, is because my hon. friend the member for l'Islet (Mr. Fafard) has just made some wise comments with reference to the resolution before the house. I admire the courage of my hon. friend and, like him, I find it absurd to claim for the workmen a six hour day's work when the farmers toil twelve to fifteen hours daily. What the workman wants is not so much reduced hours as work itself. For instance, the dock workers at Sorel, who only work seven hours per day during four days a week, greatly insist on an eight-hour day during five days a week. If their request was granted, it would greatly benefit their families.

I consider that charity is not sought by the workman because it tends to humiliate and demoralize him.

In my opinion, the resolution should be withdrawn, and I openly state that I shall vote against it, should a division be asked.

[Mr. J. H. Stitt.]

I regret that the hon. Minister of Marine (Mr. Duranleau) is not in the house, as I would have taken this opportunity to request him to grant longer hours of work to the dock workers at Sorel, who, I feel certain, would rejoice in having more work.

I had no intention to take part in this debate, however, I seize this opportunity to state that the best way of helping the working classes is to give them work.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, the object sought by the mover of this resolution is very laudable, and his reasoning to the house in support of his motion was most praiseworthy. By this resolution the hon. member for North Winnipeg (Mr. Heaps) simply desires to bring directly before the government what is alleged therein, namely that the government give immediate consideration to the problems there set out. The government can have no objection whatever to this motion passing, and at this moment I do not intend to deal at any great length with the subject. I wish to say definitely that for a long time this subject has engaged the best consideration that the government has been able to bestow upon it.

I am sorry that on the present occasion the Minister of Labour (Mr. Gordon), through indisposition, is not able to be present in the house and to take part in this debate, because of all the members of the government he is perhaps most familiar with the subject dealt with by this resolution.

The scope of discussion this afternoon has been somewhat broad. We have heard discussed such subjects as the machine age and interests rates, and a good deal of the discussion has had to do with what one might term the constitutional problems which confront the federal and the various provincial governments. In regard to the last point I can assure the house that it presents some very serious problems. The first object sought by the resolution is a reduction of the hours of labour, but when one discusses that question one is immediately confronted with what the hon. member for Vancouver-Burrard (Mr. Hanbury) so well pointed out, namely that the provinces of this dominion cling very tenaciously to their provincial rights in regard to all questions pertaining to hours of labour, regulation of labour, wages and the like. While it is easy to suggest that a conference with the provinces should be called by the

dominion, and that a broad discussion should take place with regard to certain constitutional amendments, it is a very difficult thing when these conferences do take place to secure that unanimity of opinion which in my humble judgment is necessary between the various provinces of Canada before any radical or serious amendment can be made to the Canadian constitution as laid down by the British North America Act. My experience, and I have had some in regard to interprovincial conferences has been that the dominion and the provinces have never yet been able to agree unanimously on a single important proposal laid before a conference for agreement. The nearest approach to agreement so far reached was at the recent conference held in the city of Ottawa. On that occasion the proposal did not relate to labour problems particularly. The proposal upon which we appeared likely to reach some agreement or some uniformity of opinion was in regard to the organization and incorporation of companies, the issue of prospectuses, the sale of companies' stocks, and the like. After many months of intensive labour a draft bill was prepared and submitted to the representatives of the nine provinces of Canada to ascertain if we could unite upon a uniform law in respect to such matters, a law which would prevail throughout the whole length and breadth of Canada. We do not yet know whether agreement will eventually be reached. The provincial representatives have taken the bill home with them, where they will consult their respective governments, and I believe a subsequent conference will be held about a month hence, the hope being that some agreement will be reached for a uniform law. However that is the first instance in my experience where an agreement sums likely to be reached in regard to constitutional difficulties or constitutional amendments.

I realize as fully as do other hon. members in the house that there are anomalies in the present constitution of the dominion. The difficulty is to apply suitable remedies by agreed amendments. I hope the time is not far distant when we may be able to arrange terms with the provinces in respect of some of the more pressing matters, one of which is assuredly the question of hours of labour throughout Canada which has been discussed this afternoon in respect of the present motion.

We in Canada enjoy many advantages under what we understand as a federal system of government. The United States, in like manner, has a federal system of government. There are many advantages under such a system, and the people of Canada enjoy those advantages, but there are also limitations. I refer particularly to the limitations under such a system imposed upon the federal government in respect of legislative authority. We became a party to the treaty of Versailles and to the labour clauses involved therein. In that treaty we agreed, as far as a federal government could agree, to certain clauses in regard to labour and hours of labour, but we insisted upon the inclusion of a special reservation applicable to the federal system pertaining in Canada—and to any other country which enjoys a federal system—whereby we might consult the various provinces and, if possible, persuade the provinces to legislate in regard to the treaty obligations which the federal government had undertaken. So far we have not succeeded in doing so. The question of hours of labour was discussed in one conference which I attended, not this year but previously, but no agreement was reached. All we have obtained so far is the promise from the various provinces that they will give serious consideration to the proposal. We have not yet reached an agreement. I realize that apart from the subject of education there is no question to which the provinces hold so tenaciously to their strict rights as they do in connection with questions involving property and civil rights, under which subject come all questions of contract, of wages and of hours of labour. Immediately you lay hands on the rights of the provinces in respect of these matters, difficulty arises.

I do not despair that at some time, perhaps in the near future, some satisfactory solution may be found between the provinces and the dominion in regard to hours of labour. I agree at once that in so far as federal employment or any employment at the instance of this government is concerned we can and do control hours of labour at the present time. In dominion contracts for public works and the like we have power to control the amount of wages paid to workmen, and if we so desire we can also control hours of labour. However, this applies only to what we may call dominion or federal works or contracts which comprise only a small percentage of the total work performed in Canada through private agencies. I doubt therefore if at the present time this parliament can legally do very much in the direction sought by the resolution before us.

It is true, as suggested by the hon. member for Selkirk (Mr. Stitt) that we might find a

loop-hole in the general provision contained in the British North America Act which states that the federal parliament may pass legislation for peace, order and good government in Canada. We have already incorporated this provision in the federal statutes under the relief legislation of last session. However I doubt very much if at the present juncture we would be justified in treating the present situation as a calamity of such magnitude that the peace, order and good government of the country was actually threatened. There is an outstanding judgment of the judicial committee of the privy council in England which decides that grave emergencies may possibly arise when parliament would be entitled to take advantage of this particular clause in our constitution, notwithstanding all or any limitations which are otherwise imposed upon federal authority. But the instances cited in the judgment of possible emergencies are rebellion, invasion, plague, epidemics and the like. I doubt if any condition has so far arisen in Canada, serious as it has been in recent years which would justify this parliament in interfering with provincial rights by legislating in respect of the hours of labour in Canada under the peace, order and good government clause of the British North America Act.

The discussion this afternoon has been profitable and, in some respects, enlightening. All that is asked is that the government should give its serious and immediate consideration to two matters, the first being that of the reduction in the hours of labour and the second the increase of the purchasing power of the masses of the people in order that they may absorb all goods produced. I think I may state that these two matters are within the scope of the motion passed on Friday last by this house and that discussions in committee upon that reference will to a very large extent cover the two matters now before us. A committee will be appointed within a day or two to consider the reference contained in the motion of Friday last. By the terms of that reference the committee is empowered to inquire particularly in regard to the "labour conditions prevailing in industries supplying the requirements of such department and chain store organizations and the extent, if any, to which existing conditions have been brought about by the purchasing practices of such organizations, and the effect thereof upon the standard of living amongst those employed in such industries and organizations." I fancy that under that this clause of the reference there will be a very full opportunity afforded the committee to cover all the ground which would be covered by an investigation under the motion now before the house.

Meantime I can assure the hon. member for North Winnipeg that the government will give serious and immediate consideration to his proposal as set out in the present motion. At the same time I can assure him again that for many months the government have been giving consideration to this problem, and if we have not found a complete solution to it it is not because we have not endeavoured to do so. The government will accept this motion.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, now that we have had a few hours of debate in which there has been a great deal of mutual admiration expressed, and now that the government has accepted the resolution concerning the question of hours of labour I am wondering if we ought not to get down to talk about taking the necessary steps to put into effect the suggestion contained in the resolution. The Minister of Justice (Mr. Guthrie) has said, "We will continue to give serious consideration to the matter." I should have been surprised had the government raised any objection to this pious resolution. I hope it was not drafted having in mind the thought that the government might accept it, because had the government refused to accept it it would have been committing political suicide, so far as any support from industrial workers is concerned. The resolution asks only for "immediate consideration." As the hon. member for Selkirk (Mr. Stitt) well styled it, it is only a pious resolution. But I am going to support it anyhow, although I would rather have supported a resolution urging a definite step forward, calling for something tangible, for some action in the matter.

The Minister of Justice (Mr. Guthrie) says: We have been giving consideration to this for a long time, and we assure the hon. member for North Winnipeg (Mr. Heaps) that we shall continue to give it further consideration.

An hon. MEMBER: For a long time.

Mr. HEENAN: It will not be for a long time because they will not be in office for a long time.

The question of provincial rights has again arisen. There was one time in my life when I might have talked about provincial rights as the Minister of Justice has talked, had it not been for the fact that prior to 1930 we had leading the opposition in this house a man who was supposed to be the greatest

constitutional lawyer in Canada, and it was he who showed us the way to go home—shall I say?—he and the present Minister of Trade and Commerce (Mr. Stevens). He told us that there was no necessity of waiting for the provinces to do anything in this regard. We have the power, he said; we have the right, and let this parliament act. At that time the opposition wanted the government of that day to pass a measure bringing the eight hour day into effect in the steel industry in the province of Nova Scotia. Let me first read what the Minister of Trade and Commerce said, as reported at page 2371 of Hansard of May 21, 1930. Referring to the hours of labour and wages in the steel industry the minister said:

I was referring to the three (ministers) sitting in the front row. Not a minister has offered an explanation, not a minister has offered any sympathy or shown any interest in this matter. I am not sufficiently an expert to say that items 377a, 377b and 377c cover the ambit of this particular industry, but I imagine that they would. In connection with these items we have an opportunity of saying to this industry: "Yes, the parliament of Canada is prepared to give you protection sufficient to enable you profitably to produce these articles"—the minister could do that just as easily as sitting there lolling in his seat—

He was referring to the Minister of Finance at the time. I just wanted to make it clear that he was not referring to myself. The minister went on:

—"but before such tariff will apply you will satisfy the governor in council that the conditions of labour, the hours of labour and the wages paid are such as will afford a decent living." That is what the government could do; that is what parliament could do, and I say right now that that is what parliament should do before it goes a step further.

And the present Minister of Trade and Commerce, when he was in opposition, wanted us to do that before we passed a single, solitary item. Had he left it at that, and had the present Prime Minister not put his own interpretation upon what parliament might do, we might have let it go, but the present Prime Minister, speaking to the question of hours of labour in the steel industry, finished off his great oration and his argument by saying:

We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in compacts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbals.

And now, after three and a half years, we have the Minister of Justice rising in his place and telling us that the provinces have a say in this matter, and that the government cannot get the provinces to agree. He does not even tell us which province will not agree. Is it not time that the people of Canada should know what province is holding back progress? Why should not the name of that province be made public if it is blocking the progress to which this government has been giving so much consideration, but only consideration, for the last three and a half years? I think I can say without boasting, because the records speak for themselves, that the government of which I was a member did make some progress, although I will say that it did not progress fast enough. But still it did make some progress towards the end we had in view. We realized that there were constitutional obstacles. Up until 1930 when the present Prime Minister, the great constitutional lawyer of this country, showed me the way, I never had any doubt that the provinces had sole jurisdiction in this matter, but when the present Prime Minister, then leading the opposition, showed the way, the then Prime Minister (Mr. Mackenzie King) said: Then we will apply it not merely to one particular industry, but to them all. And immediately a coolness came over the then opposition, and you will find in the records that there was a half apology that the matter had been brought up. It was stated that we should give the particular industry under discussion ample and reasonable time to bring their hours of labour into conformity with the treaty of Versailles.

I have said, Mr. Speaker, that the Liberal government did take some steps forward in this direction. You will find that under our jurisdiction as we understood it at the time the Liberal government on March 27, 1930, passed order in council P.C. 670, providing for an eight hour day for dominion government employees. The last three paragraphs of that order in council are worth reading. What precedes is in the nature of a preamble. I quote from the order in council:

8. That request has been made to the government for the granting of the eight hour day to its own employees.

9. That it is desirable that the principle of the eight hour day should be applied to any branches of the public service of Canada in which it is not now observed.

And the order in council sums up by saying:

The minister accordingly recommends that, except in cases where the work of employees is intermittent in character, or the application of this rule is not deemed to be practicable or in the public interest, the hours of work of any employees of the Dominion government

who are still required to work more than eight hours daily be reduced to eight hours daily, with a half-holiday on Saturday.

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

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

In that same year we passed an act known as 20-21 George V, an act respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada. That act cut down the maximum hours of work on all public works to eight hours per day, whether it was public works undertaken by the government or by a contractor. Let me point out that the present government in its regulations pertaining to relief works did, in the first order in council it put through, provide this same principle, but in later years they reversed it, and in their agreements now with the provinces provision is made, not for a minimum wage, but a maximum wage—that they ought not to pay more than the government of Canada pays; and this is the first country in the whole civilized world in which a maximum rate of wages has been adopted instead of a minimum. That is so far as this government is concerned.

Now, with respect to whatever regulations it may put into effect, is this government going to see to it that other bodies to whom it is contributing moneys out of the public treasury will observe an eight hour day and fair rates of wages? I have in mind the slave camps where men by the thousands have been working in this country for the state, under the most disgraceful conditions that can be found in any country, including Russia. I have here five or six cheques which these men have received after a month's work. Hon. gentlemen need not rush over here; the cheques are not worth stealing. One is for seventy cents for a month's work; another twenty-nine cents; the next twenty-six cents; one for nine cents and last of all, one for one cent.

Mr. GOTT: Have they all got stamps on them?

Mr. HEENAN: Yes. The stamp of the Ontario Tory government is on the face of every one. One cent! I want to tell you that at the next provincial election I am going to have photostat copies of these cheques made so that they can be shown to every citizen. I will show them not only what the provincial government of Ontario has being doing to the workers of this country, but the sort of thing to which this government has been contributing.

[Mr. Heenan.]

Mr. GOTT: And then you won't elect twelve men in the province.

Mr. HEENAN: There are some men in the dominion not worth one cent; that is one of them. The only good thing I see about this one cent cheque is that it shows that the Ontario government still believes in the holy bible, because it was made out to a man named Caesar. They were evidently reading the passage in which we are told to render unto Caesar the things that are Caesar's. The Ontario government has actually paid one cent to a working man in this province, contributed to under the authority of the Minister of Labour of this dominion, who has jurisdiction to make them pay reasonable wages.

Now, I said that this was a very pious resolution inasmuch as it asks only for consideration. May I point to a resolution which was moved by myself and seconded by the hon. member for Vancouver Centre (Mr. Mackenzie) in 1931, to be found at page 214 of The Journals of the House of that year. The date is Tuesday, May 19, 1931, and the record reads:

Mr. Heenan, seconded by Mr. Mackenzie (Vancouver Centre), moved,—

Whereas, the Dominion of Canada is a signatory to the Articles of Peace of the Treaties of Versailles, thereby subscribing to the principle of a maximum working day of eight hours.

Therefore be it resolved that this house is of the opinion that the government of Canada should take appropriate steps to ensure, throughout Canada, the fulfilment of our treaty obligations and conventions arising out of the peace treaty, relating to hours of work.

It will be noted that the difference between the resolution now before the house and the resolution I have just quoted is that we asked that proper steps be taken to ensure action, whereas this resolution asks for immediate consideration. As the Journal shows, the resolution to which I have referred, which was moved in 1931, was talked out.

Mr. HEAPS: What is the date?

Mr. HEENAN: May 19, 1931.

Mr. HEAPS: I was wondering why it was not on the order paper two years before.

Mr. HEENAN: The hon. member ought to know. He was in the house; why did he not put it on? When some member in some other part of the house rises to help those hon. gentlemen out of the dilemma they get into, they want to suggest something such as they did on previous occasions. They are content merely to ask for serious consideration. When we moved that resolution ask-

ing that immediate steps be taken to meet the unemployment situation, my hon. friend walked out of the house with the rest of the Progressives and refused to vote. I have got to the point where I have quit pussyfooting with the question.

Mr. SPOTTON: Thanks for the admission.

Mr. HEENAN: When this resolution was before the house the Minister of Justice got up and complimented your humble servant upon having brought it forward and upon the way in which I had put the matter before the house.

Mr. GUTHRIE: You were only pussyfooting then.

Mr. HEENAN: The hon. member for Selkirk (Mr. Stitt) professed to be sympathetic, and yet he got up and talked the resolution out. I drew his attention to the fact that it was one minute to eleven and that if he talked another minute he would simply kill the very thing he was professing to support; yet he talked it out and killed it.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HEENAN: Mr. Speaker, at the hour of recess I had already stated the progress that had been made with respect to reduction of hours of labour in this country and I had put on record the fact that in 1930 the government of which I had the honour to be a member had passed the order in council providing for the eight hour day for all those employees in the government service who had been working more than eight hours a day and that we had had passed in the house and made law what is known as the Fair Wage and Eight Hour Day Act. At that time the government changed and when the Conservatives came into power that was the end of any consideration of the principle of the reduction of hours in industry in this country.

In order that the progress made might be continued, notwithstanding the fact that the resolution moved in 1931 was talked out, the government accepted the principle of it, but I regret to say that they failed to carry out anything promised on the floor of this chamber by the Minister of Justice (Mr. Guthrie) who was then leading the house. At the next session I had the honour again to introduce a similar resolution and in the discussion that took place the Minister of Justice, speaking for the government, said that inasmuch as the resolution had not carried in 1931, no steps had been taken. In other words, the government said that they were in sympathy with the principle, yet one of their supporters talked the resolution out on a certain day in 1931, thereby defeating it; the government failed to carry out the principle of that resolution which they had accepted a few minutes previously. On February 17, 1932, I moved a similar resolution as follows:

Moved by Mr. Heenan, seconded by Mr. Beaubien:

Whereas, the Dominion of Canada is a signatory to the articles of peace of the treaties of Versailles, thereby subscribing to the principle of a maximum working day of eight hours. Therefore be it resolved that this house is of opinion that the government of Canada should take appropriate steps to ensure throughout Canada, the fulfilment of our treaty obligations and conventions arising out of the peace treaty relating to hours of work.

This resolution that I introduced in 1932 was agreed to by the House of Commons, but notwithstanding that, the present government has taken no notice whatever of it and has done nothing in connection with it. Since that time there have been many dominion-provincial conferences, and, so far as I know, not one word has been said in one of those conferences with respect to reduction of hours in the industries of this country. Therefore, when a definite resolution of this kind is carried, asking that the government take appropriate steps and they agree to it, what does the hon. member for North Winnipeg (Mr. Heaps) expect when he puts on the order paper a resolution asking the government only to consider the matter? This sort of thing is fast becoming a joke and, as I said before, it is time somebody called a spade a spade and made the government quit this pussyfooting. Either we are going to have the eight hour or the six hour day with a government in power that is in sympathy with the matter, or we are not; and I would give the hon. member for North Winnipeg credit for having more sense than to place on the order paper a resolution merely calling for consideration by a Tory government, because I know the hon. gentleman has his heart in the labour movement and I know the men who follow him have confidence in him. I have confidence in him myself, but I have no confidence in the resolution that he has moved.

Mr. HEAPS: The hon. member will not vote against it?

Mr. HEENAN: Consideration is the only thing you will ever get from the Tory government. I am willing to vote for the resolution because that is all I ever expect from them.

In 1931 or 1932, I forget which, I moved a resolution seconded by the hon. member for Vancouver Centre (Mr. Mackenzie) to the effect that inasmuch as the present Prime Minister of Canada (Mr. Bennett), when he was in opposition, went through the country from coast to coast, promising definitely that he would end unemployment or that he would perish in the attempt. That it was the opinion of the house that the government of Canada should bring down immediately measures to deal adequately with the unemployment situation. That was a Liberal amendment and every Tory who was present in the chamber voted against it. I regret to say that my hon. friends of the Progressive group or the C.C.F. group or whatever they call themselves, walked out of the house and would not vote on it—

Mr. HEAPS: I will tell the hon. member why.

Mr. HEENAN:—because they said it was playing politics. To ask the government of this country to bring in measures to deal with unemployment—is that playing politics? My hon. friends should have voted for the resolution because it was a reprimand to men who went through the country as these men did in 1930 making promises they knew very well they never intended to carry out. It is the duty of every man who believes in democracy to vote lack of confidence in a government of that character.

This is not the first time I have brought up this subject. In 1924 I had the honour of having a resolution carried on the floor of the Ontario legislature, calling for a reduction in hours in all industrial concerns. Realizing at that time that the question of wages and hours of labour came under the jurisdiction of the provinces, I moved that resolution, and the then premier, Hon. Mr. Ferguson, moved an amendment to it which in effect stated that until all the provinces and all nations of the world adopt a similar measure its adoption here would handicap the industries of Ontario. That amendment was carried and of course destroyed the whole purport of the resolution. As I said before recess, we are continually passing the buck from the dominion to the provinces, and then the provinces say they cannot do anything until all the nations of the world adopt the same thing. Yet we have a government in power to-day that disregards conditions all over the world; hon. gentlemen who in 1930 said: No matter what the conditions are in other nations, we in Canada have sufficient resources to see that every man and woman in the dominion is working, and if you elect us to office we are going to see that that happens or perish in the attempt. But now we have the spectacle of that government saying it cannot do anything because the provinces have jurisdiction. The present Prime Minister when he was sitting in the seat of leader of the opposition contended that we have jurisdiction; that any industry that gets the benefits of our tariff measures we should make conform to the hours of labour and wages that would give Canadians a proper standard of living. The Minister of Trade and Commerce (Mr. Stevens), when he was sitting on this side of the house, jumped up and told the ministers of the day that they were lolling in their seats and would not take part in the discussion, and he said that before parliament went a step further we should see that these industries that are working their employees more than eight hours a day should put the eight hour day into effect. I say that the ministers, those who are now present, are themselves lolling in their seats after putting into effect policies diametrically the opposite of what the hon. member's resolution asks for. The resolution asks that more workers of this country be incorporated into industry; but the policies of this government are taking men out of industry and putting them into slave camps to work for the state. Men are working—I hope the Minister of National Defence (Mr. Sutherland) is within the sound of my voice—at Lac Seul for five dollars a month and board—no; it is not five dollars a month, it is twenty cents a day; for if they lose a day they are docked for it. The Ontario government is bad enough at ten dollars a month, but this government goes one better when it puts men in camps to work for twenty cents a day and board. They have three gangs up there, one working, another quitting and going out, and another coming in. Then when those poor fellows come out and get to steel they have to violate the law in order to get home; they have to steal rides on the trains at the risk of their lives. I know what I am talking about, because I have been on a railroad engine during the last six months, and in temperatures of twenty-five, thirty and down to fifty degrees below zero you can see from ten to fifteen of these young men riding on the brake riggings, between the cars, on the tender. Are they doing that because they don't like work. That is the greatest hardship any man could endure.

Mr. GOTT: The hon. member has two good jobs, while there are thousands of Canadians out of employment.

Mr. HEENAN: I want to talk to men who understand labour conditions, not to a man who never laboured in his life. This is one gentleman who promised to end unemployment and give higher wages or perish in the attempt; now he is telling them they do not want to work.

I said when I started that I was going to vote for this motion. I hate to do it, because it is a pious resolution that means nothing. If the hon. member would only put it that they should immediately take the necessary steps to do something I would vote for it gladly, though even at that I realize that the government would not do anything. However, I am going to vote for this pious resolution which says: Please give the matter further consideration.

Mr. A. A. HEAPS (North Winnipeg): Perhaps I may be allowed, Mr. Speaker, to say a word or two in closing the discussion?

Mr. SPEAKER: The hon. member in speaking will close the debate, so that if any other member wishes to speak he should do so now.

Mr. HEAPS: I am impelled to rise after the remarks of the last speaker; I would not have done so had it not been for the fact that the hon. member for Kenora-Rainy River (Mr. Heenan) made certain statements which are entirely unwarranted and wide of the mark. He is using his seat in the House of Commons at this moment not to further the cause of the men who are out of work but to further the cause of the party of which he happens to be a member.

Some hon. MEMBERS: Hear, hear.

Mr. HEENAN: Applause from the government benches!

Mr. HEAPS: In my talk this afternoon I tried to keep entirely to the motion; I did not deviate from what, in my opinion, ought to be the mode of discussion in introducing a question of this kind. Since I have been in this house I have always refused to allow the unemployment situation in Canada to become a political football, and I do so to-night. I take objection to the remarks of the hon. member for Kenora-Rainy River. He kept entirely away from the motion, and merely criticized the government for its action or inaction since it has been in office. In that respect I have criticized the government just as much as the hon. member, but I believe the time has come when we might for a moment forget our partyism, cease to put our party before our principles, and discuss the question of unemployment on its merits and nothing else. It was for that reason that in 1932, when the hon. member who has just spoken brought in a resolution, a pious resolution with a bunch of whereases covering much space in Hansard, we in this corner refused to be a party to it and for that reason walked out of the house and refused to vote. Was it because we had no interest in unemployment? Certainly not; for when the hon. member was Minister of Labour we introduced motions similar to this, and on those occasions did not have his support.

Mr. HEENAN: You got action.

Mr. HEAPS: I remember very well that when the hon. member was Minister of Labour in 1930, I introduced a motion dealing with unemployment, and the then Minister of Labour could not see any unemployment in the Dominion of Canada. But in 1930 he put on new spectacles and he has done nothing but see unemployment ever since. I do not want to say anything against the hon. gentleman, but I do say that hon. members of this house should not make a political football out of such a grave and emergent situation. There are to-day half a million or more unemployed in the Dominion of Canada; yet has any word fallen from the lips of the hon. member for Kenora-Rainy River that could give them any ray of hope? All he has said is that we walked out in 1932, and that the government of the day will accept this resolution because it is nothing but a pious declaration.

I believe, Mr. Speaker, that some hon. members sitting to my immediate right have the idea that there is some form of collusion between those of us in this corner of the house and the government, because of this resolution. That came to my attention during the dinner recess. Let me assure the hon. member who has just spoken or any other hon. member who thinks as he does, that I never even spoke to any hon. gentleman on the government side of the house with reference to the resolution that is now before the house. I have not spoken to the Minister of Justice (Mr. Guthrie) since the house has been in session, and further than that let me say that the motion standing in my name was placed on the order paper for this session at the end of June, 1933. If the hon. gentleman will look up the records of the house and observe the date it was filed he will find that I am stating the fact correctly. Yet, forsooth, the hon. member for Kenora-Rainy River comes along and hints that the government

accepted the resolution because it just happens to be a pious wish.

Let me say, Mr. Speaker, that the motion was not introduced to-day because it is a pious hope; far from it. It was introduced in this house because I and one or two of my colleagues in this corner thought it was the only kind of resolution we could draft that would cover the situation and meet the rules of procedure of this house and the conditions we have to meet under the British North America Act. We cannot instruct the government to do anything contrary to that act, but we can ask them to take something into consideration and to devise ways and means of overcoming the difficulties inherent in that act. That is why we asked the government to take this matter into consideration, and I am glad they have accepted the resolution. I appreciate the fact that they have accepted it; I think perhaps that is why the hon. member for Kenora-Rainy River is so much disappointed. I was a little surprised myself when the government accepted the motion, though in the last few days they have shown rather forward tendencies. Last Friday they introduced a motion which represented a very radical departure from their past policies and declarations, and to-day they have gone a step further. I do not care how much further they go, and I do not care from what corner of the house these forward declarations come.

Let me point out, Mr. Speaker, that when the government accepted this motion to-day they accepted three cardinal points to which they would not have agreed had they been opposed to the motion. They have accepted the principle that in the industrial life of Canada it is desirable that those engaged in industry should work shorter hours than they are working at the present time, in order that industry may be able to absorb those men and women who to-day are out of employment. Is that not a laudable and proper objective for parliament to aim at? In the second place we ask the house to accept this resolution with the idea that the masses of the people of this country should have an increased purchasing power. Could anyone object when the government accepted that principle and said they were considering the matter and had been considering it for some years past? Then in the third place we asked for a more equal distribution of the wealth produced. Is there anything wrong with that? It is true that this is only a resolution, but I think it essential that we get a declaration of principles adopted by the house, that is what I think we have done this evening. We have induced the government to accept a declaration of principles which I hope, before parliament prorogues and the government appeals to the country, will bring about some effective action by this government and this parliament to bring into being the very principles that have been enunciated in this resolution.

Some hon. gentlemen have asked how we are going to bring about these changes in our economic life. Well, Mr. Speaker, if there is the will to do a thing the way will be found. Just as in the United States they are reducing hours and putting codes into effect, so will we in Canada be able to bring about these changes when the time comes, if there is the will to do so. I want to say, Mr. Speaker, that I appreciate the attitude taken by the government in accepting this resolution, which I sincerly hope is only the forerunner of definite action on the part of the government at the very first opportunity.

Motion agreed to.

COOPERATIVE COMMONWEALTH

PRODUCTION AND DISTRIBUTION—PROPOSED ECONOMIC SYSTEM GIVING FIRST CONSIDERATION TO HUMAN NEEDS.

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

> Whereas, Canada still faces a serious economic situation, and
>
> Whereas, the existing economic system is failing to function in the interests of the masses of the people, even denying to large numbers access to the means of livelihood;
>
> Therefore be it resolved, that, in the opinion of this house, it is desirable that the present system should be superseded by one based on the principle of cooperative production and distribution in which human needs should be the first consideration.

He said: Mr. Speaker, two years ago, when I introduced a resolution on the cooperative commonwealth, the proposal may have seemed very academic. Last year I was able to announce the formation of a cooperative commonwealth federation and this year I am glad to be able to present a carefully considered program. This program, adopted at Regina last August, re-states and develops the point of view and the measures advanced for years in this house by the labour group and the United Farmers of Alberta group.

Frequently it has been said that labour men and farmers cannot work together. I know there are some superficial differences, but in the face of the great difficulties which exist at the present time many of these differences fade into insignificance. As a matter of fact in this house these two groups have found it possible to cooperate to an increasing degree year by year. Perhaps before going on to the program I might make a statement that will

help clarify the situation in the minds of some of my fellow members. Our group is not strictly a party; it is rather a federation of provincial organizations. At present we have affiliated with the Cooperative Commonwealth Federation in Alberta the Canadian Labour party—Alberta section—and the United Farmers of Alberta; in British Columbia the Associated C.C.F. clubs (B.C.) and the Socialist party of Canada, (B.C.); in Manitoba the Independent Labour party of Manitoba and Manitoba Farmer section of the C.C.F.; in New Brunswick the New Brunwick section of the C.C.F.; in Ontario the C.C.F. clubs of Ontario, the Labour conference of Ontario, and the United Farmers of Ontario; in Quebec the C.C.F. clubs—the Quebec organization committee—and the Labour Partie du Canada; in Saskatchewan the Farmer-Labour group, and I may say that there are several other provincial groups whose applications have not been formally accepted as yet.

The resolution which I advance on behalf of our organization states that the capitalist system, as we now have it, has failed to function. I fancy a great many members will agree. Many however would say that this is merely a temporary defect in the system, and that one of these days we will come back. After an analysis of the general world situation and the history of the last one hundred years I cannot believe that this is possible. It is true that we may have some revival but I believe such revival must be very temporary in character. We believe that the only possible way of overcoming our difficulties is by the setting up of an economic system on an altogether different basis. But I can fancy a great many hon. members in the house tonight will ask, as they have asked before: "But what other system is there, and how do you propose to establish it?" Our manifesto gives the answer, and I beg the indulgence of the house to read the preamble to it, because it gives the general viewpoint that we are trying to advocate and makes intelligible a great many of our motions. I read:

> The C.C.F. is a federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the principle regulating production, distribution and exchange will be the supplying of human needs and not the making of profits.
>
> We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality will be possible. The present order is marked by glaring inequalities of wealth and opportunity, by chaotic waste and instability; and in an age of plenty it condemns the great mass of the people to poverty and insecurity. Power has become more and more concentrated into the hands of a small irresponsible minority of financiers and industrialists and to their predatory interests the majority are habitually sacrificed. When private profit is the main stimulus to economic effort, our society oscillates between periods of feverish prosperity in which the main benefits go to speculators and profiteers, and of catastrophic depression, in which the common man's normal state of insecurity and hardship is accenuated. We believe that these evils can be removed only in a planned and socialized economy in which our natural resources and the principal means of production and distribution are owned, controlled and operated by the people.
>
> The new social order at which we aim is not one in which individuality will be crushed out by a system of regimentation. Nor shall we interfere with cultural rights of racial or religious minorities. What we seek is a proper collective organization of our economic resources such as will make possible a much greater degree of leisure and a much richer individual life for every citizen.
>
> This social and economic transformation can be brought about by political action, through the election of a government inspired by the ideal of a cooperative commonwealth and supported by a majority of the people. We do not believe in change by violence. We consider that both the old parties in Canada are the instruments of capitalist interests and cannot serve as agent of social reconstruction, and that whatever the superficial differences between them, they are bound to carry on government in accordance with the dictates of the big business interests who finance them. The C.C.F. aims at political power in order to put an end to this capitalist domination of our political life. It is a democratic movement, a federation of farmer, labour and socialist organizations, financed by its own members and seeking to achieve its ends solely by constitutional methods. It appeals for support to all who believe that the time has come for a far-reaching reconstruction of our economic and political institutions and who are willing to work together for the carrying out of the following policies.

May I pause for a moment to point out that this document answers a great many of the charges which have recently been made against the C.C.F. and its program. We do not believe in dictatorship; we believe in democracy. We would point out that to no small extent we have a financial dictatorship in Canada; we wish to have a democracy which will really represent the interests of the people. It has been stated very often when we have brought forward our proposals that they are identical with those of the Russians. I would say distinctly that we have no Russian affiliations whatever. Again and again we have stated that we have no connection whatever with the Communist party. Probably the body that has been working the nearest to the lines which we advocate is the British Labour party. We do use the term "a planned

and socialized economy," and therefore a great many people seek to put an end to us simply by calling us socialists. Well, everything depends upon the definition. Personally I have no objection whatever to the word "socialism," but I would point out that socialism has a great many meanings to-day. In the co-operative commonwealth we have chosen a phrase into which we have the right to place whatever meaning we wish. I believe I could not do better than to repeat that which I said in my presidential address to the conference:

> Socialism has so many variations that we hesitate to use the class name. Utopian socialism and Christian socialism, Marxian socialism and Fabianism, the Latin type, the German type, the Russian type—why not a Canadian type?
>
> Perhaps it is because I am a Canadian of several generations, and have inherited the individualism common to all born on the American continent; yet with political and social ideas profoundly influenced by British traditions and so-called Christian idealism; further with a rather wide and intimate knowledge of the various sections of the Canadian people—in any case, I am convinced that we may develop in Canada a distinctive type of socialism. I refuse to follow slavishly the British model or the American model or the Russian model. We in Canada will solve our problems along our own lines. We have a goodly heritage, not only in natural resources but in pioneer traditions and social equipment. If we have the spirit of our fathers we can overcome the difficulties even of our complex modern world.

It has been charged again and again that we wanted to bring about changes by means of violence. At our conference we expressly and deliberately repudiated the charge, and said we wished to bring about changes in a peaceable and orderly fashion. The statement has often been made that the co-operative commonwealth which we advocate involves a highly centralized bureaucracy. There is nothing in our program to suggest that. We do believe that there are certain things which will have to be under the control of the federal government. There are other matters which will come under the control of the provincial governments and other matters which, as now, will come under the control of the municipal governments. We hope that there will be the possibility of a much wider degree of free cooperative effort than we have at the present time.

We start out to bring about these changes by the old and tried political method of electing a sufficient number of people to parliament so that there will be a majority in favour of the program we advocate. At the very outset of our program we place:

[Mr. Woodsworth.]

1.—Planning.

> The establishment of a planned, socialized, economic order, in order to make possible the most efficient development of the national resources and the most equitable distribution of the national income.

To-day a great many people are convinced of the necessity for some form of planning. Even the Conservatives in Great Britain are beginning to talk planning. Mr. Roosevelt has made this idea almost a commonplace here on this continent. I noticed only within the last few days in a pamphlet published by the authority of the governments of the dominion and of the provinces of Manitoba, Saskatchewan and Alberta, dealing with the world wheat problem and the London agreement, that these words are in the introduction:

> The issue was clearly—Drift or Plan.

That certainly is coming to be the case. I quoted the other day a very striking passage from the speech of the Hon. Vincent Massey on the New Economic Nationalism, in which he said very clearly:

> It must suffice for me to say that national planning will have to be the foundation of Canada's international relations.

I think we shall have to come to that. We point out in the explanatory note, one of which is attached to each plank in our platform, that—

> The first step in this direction will be the setting up of a national planning commission, consisting of a small body of economists, engineers and statisticians assisted by an appropriate technical staff.

To-day there is no relationship between the giving of credit and the general national welfare. People have been going along in a happy-go-lucky sort of way. The old laissez-faire doctrine has predominated up to the present, and it has brought us almost to disaster.

Especially I would point out, as was done incidentally by one of my colleagues in the debate on the previous resolution, that to-day there is no proper equilibrium between the production of this country and the consuming power of the people. I am not going to-night into the knotty question as to whether this is purely a financial problem, as that may be touched upon by my hon. friend from Macleod (Mr. Coote) under another resolution. But whether it is purely a financial problem or whether it is not more fundamental and has to do with the ownership and control of the real wealth of this country, the fact is that we to-day are living in a age of abundance and yet a great number of our people are facing

poverty and thousands are experiencing a great deal of anxiety.

I wish I had time to go into the concentration of industry which has taken place in Canada in recent years. I might refer to a very excellent article in a recent issue of the Canadian Forum dealing with Concentration in Canadian Industry. This article points out what we have tried to say again and again in this house in the last few years:

> There were once more than forty banks in Canada. There are now ten. Of these the three largest have for some years done about seventy per cent of the business.

And so with trust companies. Four of the largest trust companies together have over seventy-seven per cent of the assets. And so with loan companies, three of which account for eighty-two per cent of the total assets. It is the same with life insurance companies, three of which control almost half of the total assets. The investment trust situation is very much the same. In our railway transportation we are facing to-day the prospect of amalgamation. Some of us remember that the fact was brought out years ago that Atlantic shipping is dominated by the North Atlantic Conference, of which the Canadian Pacific Railway Company is an important member. Five of the Canadian Pacific Railway directors are directors of Canadian Airways. And so on. I shall not take time even to outline the article, but may I read a few words from its concluding paragraph? After referring to a few men of outstanding influence in this country it says:

> Besides these titans there are some sixty others, including eleven directors of the Bank of Montreal and seven each of the Royal Bank and the Canadian Bank of Commerce—who, with a few powerful foreign interests, constitute the controlling group for Canadian finance, transportation, communications, power, paper, electrical supplies, iron and steel, motor cars, agricultural implements, nickel, copper, chemicals, paints, cement, oil, rubber, textiles, milling, packing, tobacco, brewing, distilling, and motion pictures. Perhaps a hundred persons, here and abroad, decide what we shall eat, what we shall drink, wherewithal we shall be clothed, and most other of our activities.

One other very significant statement I quote:

> At most only about 144,000 people in Canada receive income enough to be taxable; about 82,000 of these get $4,000 a year or less, and three per cent of the population gets twenty per cent of the income.

Surely that is sufficient evidence of the concentration of wealth in Canada, and the concentration of wealth has meant the concentration of power, and I think I am free to add that it has meant political power.

We say in our explanatory note:

> The Cooperative Comomnwealth Federation will provide that in Canada the planning shall be done, not by a small group of capitalist magnates in their own interests, but by public servants acting in the public interest and responsible to the people as a whole.

We pass immediately from the idea of a plan to—

2.—Socialization of Finance.

> Socialization of all financial machinery—banking, curency, credit and insurance, to make possible the effective control of currency, credit and prices, and the supplying of new productive equipment for socially desirable purposes.

The control of finance is undoubtedly the first step in the control of our whole economy.

I noticed that not very long ago the press quoted Mr. Taschereau as having said:

> In 1920 there were one hundred paper mills in Canada producing $100,000,000 a year in products, capitalized at $22,000,000, employing 31,000 employees and paying them $45,000,000 yearly. At the end of ten years there were 109 mills, producing $215,000,000 in products, but capitalized at $714,000,000. There had been an increase of 2,000 in employees but payrolls remained the same as in 1920. While product increased 115 per cent capitalization increased 3,500 per cent, roughly speaking.

Under those circumstances we feel that it is highly necessary that there should be a national investment board working in co-operation with a socialist banking system to mobilize and direct the unused surplus of production for socially desirable purposes. I can understand that a program of this kind would not go very far without the question of ownership being involved, and we pass to—

3.—Social Ownership.

> Socialization (dominion, provincial or municipal) of transportation, communications, electric power and all other industries and services essential to social planning and their operation under the general direction of the planning commission by competent managements freed from day to day political interference.

That, of course, visualizes the extension of our present form of administration by commissions, only we would insist that on these commissions the workers must be given a right to participate, and further that workers in public industries must be much more free to organize than they are at the present time.

We believe that only under a regime of public ownership and operation will the full benefits accruing from centralization of control and mass production be passed on to the consuming public. That I think is really where the difficulty will be found in controlling the mass buying that is taking place to-day by the big departmental stores, and which is shortly to come under review by the

committee that is to be set up. I do not see how we are ultimately to pass on the economies of mass buying unless we have public ownership or effective control. Let me point out that, contrary to the charges made, the C.C.F. has never thought of socializing all industries. The charge is without foundation. Perhaps I had better read what we ourselves declare in the explanatory note:

Transportation, communications and electric power must come first in a list of industries to be socialized. Others, such as mining, pulp and paper and the distribution of milk, bread, coal and gasoline, in which exploitation, waste or financial malpractices are particularly prominent, must next be brought under social ownership and operation.

That is not so radical as some of our political opponents would have you believe. If the province of Quebec can as a province handle the distribution of liquor, I cannot for the life of me see why a province or municipality cannot handle the distribution of milk. If Ontario can handle the distribution of electrical power, through the hydro-electric system, I cannot see why a province or municipality cannot handle the distribution of coal. We have already proceeded a very considerable distance along the line of public control over these essential industries.

A great many people have told us that this means confiscation. That is a question which, at the Regina conference, we very carefully considered; and whilst we agree that it would be impossible beforehand to consider what should be done in each particular instance, we did lay down certain principles which we propose to follow. I will here read from the explanatory note, for I do not want any misunderstanding to exist on this very important point:

We do not propose any policy of outright confiscation. What we desire is the most stable and equitable transition to the cooperative commonwealth. It is impossible to decide the policies to be followed in particular cases in an uncertain future, but we insist upon certain broad principles. The welfare of the community must take supremacy over the claims of private wealth. In times of war human life has been conscripted. Should economic circumstances call for it, conscription of wealth would be more justifiable. We recognize the need for compensation in the case of individuals and institutions which must receive adequate maintenance during the transitional period before the planned economy becomes fully operative. But a C.C.F. government will not play the role of rescuing bankrupt private concerns for the benefit of promoters and stock and bondholders.

An hon. MEMBER: Nor derelicts.

Mr. WOODSWORTH: No, nor of enterprises which in the Prime Minister's own words are derelicts. There is the position of investors to be considered. We recognize that institutions and individuals are dependent upon certain investments, and the members in this corner of the house would be the last to see widows and orphans neglected. But we do not propose to allow men of great wealth to hide behind the widows and orphans. We want to see that security is given, not merely to the privileged few, but to all.

4.—Agriculture.

Security of tenure for the farmer upon his farm, on conditions to be laid down by individual provinces; insurance against unavoidable crop failure; removal of the tariff burden from the operations of agriculture; encouragement of producers' and consumers' cooperatives; the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services; and improving the efficiency of export trade in farm products.

Again and again it has been stated by critics of the C.C.F. that we were going to take away the farms from the farmers. From the very first there has been nothing of that kind in our minds. We tried, in the very first conference we had a year ago, to guarantee the security of tenure to the farmer upon his farm. We recognize that the farmer is not an exploiter; rather, he is one of the worst exploited. To-day farming is still in the family farm stage, and as long as that is maintained there is no reason why under our scheme there should be any alteration in the ownership of farms.

I may say that in the province of Saskatchewan there are certain supporters of the C.C.F. who advocated that with respect to a limited number, farmers who were hopelessly mortgaged, their farms should be taken over by the state in order to save the owners from eviction.

Mr. VALLANCE: Does the hon. member deny any relationship to this C.C.F. handbook?

Mr. WOODSWORTH: There have been a good many different pamphlets. I was explaining that a year ago, before this program was adopted, some of the farmers in Saskatchewan did advocate that, with respect to those hopelessly bankrupt, the state should take over their farms in order to save their owners from being evicted. What we stated was that we would leave the arrangements as to how the farmer should be enabled to retain ownership of his land to be worked out by each province. As hon. members know, conditions in the various provinces differ very widely.

We advocate in that connection a great increase of purchasing power made possible by the social control of the financial system. Control must be directed towards increased employment, as laid down elsewhere, and towards the raising of prices of farm commodities by proper credit and foreign exchange policies, and by the extension of consumers' and producers' cooperatives.

5.—External Trade.

The regulation in accordance with the national plan of external trade through import and export boards.

We are firmly convinced that the old controversies between free traders and protectionists are now largely obsolete. In a world of nationally organized economies, Canada must organize the buying and selling of her main imports and exports under public boards, and take steps to regulate the flow of the less important commodities by a system of licensing. For that reason we would advocate the formation of a wheat board. That is in line with the developments we have in view. During the war we learned a good many things that should now in time of peace be carried into practice.

6.—Cooperative Institutions.

The encouragement by the public authority of both producers' and consumers' cooperative institutions.

The trouble to-day is that the small local cooperative institution is like a cake of ice in the gulf stream; it can exist only a short time: the influences opposed to it are too great. But under an arrangement such as we envisage, it would be possible for free cooperative institutions to flourish.

7.—Labour Code.

A national labour code to secure for the worker maximum income and leisure, insurance covering illness, accident, old age, and unemployment, freedom of association and effective participation in the management of his industry or profession.

I do not think it is necessary for me to go into details as to what would be involved in a labour code. I think we labour members in this corner, during the past thirteen years, have made it abundantly clear what we consider the minimum for the labouring people in this country. I would call attention however to one fact that always comes in to block us; it did so only a few minutes ago. I refer to the British North America Act. Now, we believe that it will be necessary to revise that act in order to make a proper labour code possible. We propose that the necessary amendments to the British North America Act shall be obtained as speedily as required, safeguards being inserted to ensure that the existing rights of racial and religious minorities shall not be changed without the consent of those minorities. What we need chiefly to-day is to place in the hands of the national government more power to control national economic development. In Quebec there have been misrepresentations. I venture to say that no political party so far has so clearly safeguarded the rights of minorities as we have done in the section which I have read to the house.

8.—Socialized Health Services.

Publicly organized health, hospital and hospital medical services.

We believe that health services should be made at least as freely available as are educational services to-day. We are not concerned with whether the cost is borne by the dominion, the province or the municipality. We suggest that this is an enterprise in which dominion, provincial and municipal authorities, as well as the medical and dental professions, can cooperate.

9.—British North America Act.

The amendment of the Canadian constitution, without infringing upon racial or religious minority rights or upon legitimate provincial claims to autonomy, so as to give the Dominion government adequate powers to deal effectively with urgent economic problems which are essentially national in scope; the abolition of the Canadian senate.

As regards what we have in mind with respect to changes in the British North America Act, may I read this from the explanatory note:

The principle laid down in the Quebec resolutions of the fathers of confederation should be applied to the conditions of 1933, that "there be a general government charged with matters of common interest to the whole country and local governments for each of the provinces charged with the control of local matters in their respective sections."

So far as the Senate is concerned, I have not time to enter upon that, but we do not believe there is any place for a second chamber in a democracy such as we are supposed to have in Canada. Perhaps the least said at this time about the Senate, the better for the senators.

10.—External Relations.

A foreign policy designed to obtain international economic cooperation and to promote disarmament and world peace.

We stand resolutely against all participation in imperialist wars. And we do not believe in maintaining the empire as a means by which one group can exploit another. By all means let us stand together for sentimental and

cultural purposes, but as H. N. Brailsford said not very long ago: "Empire is debt." That is shown in the case of Newfoundland; we do not propose to submit to that kind of thing.

11.—Taxation and Public Finance.

A new taxation policy designed not only to raise public revenues but also to lessen the glaring inequalities of income and to provide funds for social services and the socialization of industry; the cessation of the debt creating system of public finance.

I think we in this corner have again and again explained what we mean by that, and perhaps under other resolutions during this session we shall have further opportunities of discussing the matter.

12.—Freedom.

Freedom of speech and assembly for all; repeal of section 98 of the criminal code; amendment of the Immigration Act to prevent the present inhuman policy of deportation; equal treatment before the law of all residents of Canada irrespective of race, nationality or religious or political beliefs.

I have on previous occasions expressed myself pretty fully with regard to section 98 of the criminal code and what is involved in it. I shall not enter upon that to-night, but shall simply quote again from the explanatory note:

We stand for full economic, political and religious liberty for all.

We have sometimes been accused by some of our opponents of being anti-religious, notwithstanding the fact that we have expressly stated that we want the fullest religious liberty for all and guarantee the minorities their full religious and cultural rights.

The next plank should perhaps be properly headed: "Humanizing the law." It reads:

13.—Social Justice.

The establishment of a commission composed of psychiatrists, psychologists, socially-minded jurists and social workers to deal with all matters pertaining to crime and punishment and the general administration of law, in order to humanize the law and to bring it into harmony with the needs of the people.

I hope at a later stage in this session the hon. member for Southeast Grey (Miss Macphail) will be here and able to say a little more with regard to what this plank might involve.

14.—An Emergency Program.

The assumption by the Dominion government of direct responsibility for dealing with the present critical unemployment situation and for tendering suitable work or adequate maintenance; the adoption of measures to relieve the extremity of the crisis such as a program of public spending on housing, and other enterprises that will increase the real wealth of Canada to be financed by the issue of credit based on the national wealth.

May I add a few words with regard to this:

Unemployed workers must be secured in the tenure of their homes, and the scale and methods of relief, at present altogether inadequate, must be such as to preserve decent human standards of living.

Perhaps, as I have only a few moments left, I might read another paragraph from our explanatory notes:

We propose to provide work and purchasing power for those now unemployed by a far-reaching program of public expenditure on housing, slum clearance, hospitals, libraries, schools, community halls, parks, recreational projects, reforestation, rural electrification, the elimination of grade crossings, and other similar projects in both town and country. This program, which would be financed by the issuance of credit based on the national wealth, would serve the double purpose of creating employment and meeting recognized social needs. Any steps which the government takes, under this emergency program, which may assist private business, must include guarantees of adequate wages and reasonable hours of work, and must be designed to further the advance towards the complete cooperative commonwealth.

We conclude the manifesto with this sentence:

No C.C.F. government will rest content until it has eradicated capitalism and put into operation the full program of socialized planning which will lead to the establishment in Canada of the cooperative commonwealth.

We have been told by some editorial writers that in Canada we already have altogether too much paternalism, but what of the way in which big business has drawn upon the resources of this country by way of charters, franchises, bonuses, tariffs and privileges of every description?—surely this is paternalism run wild. What we want to have in Canada is the planning and organizing of the productive and distributional agencies of the country in such a way as to provide for the needs of the Canadian people.

We very often have eulogies of capitalism. But what is the real situation to-day?

Mr. JOHN VALLANCE (South Battleford): I listened with a great deal of interest to the previous speaker (Mr. Woodsworth). Since the prorogation of parliament we have had three politically outstanding events. I was interested in hearing the leader of the Cooperative Commonwealth Federation read from the convention number of the Saskatchewan C.C.F. Research Bureau a resumé of what

happened at the convention held in Regina. That is one of the outstanding events about which I wish to say something, another being the by-election in the province of Saskatchewan. What the hon. gentleman has said tonight was very much the line of argument that was used during the Mackenzie by-election. But as I look at this pamphlet that was read and quoted from so frequently, I find that it does not agree with the propaganda that was put over at that by-election—at least that was attempted to be put over.

Mr. ILSLEY: Put under.

Mr. VALLANCE: I hold in my hand a copy of that pamphlet, but before dealing with it I would like to refer to some things that happened at that convention which do not appear in the pamphlet. There was at that convention, a famous visitor from the old land, a Mrs. John Paton, the wife of the secretary of the Independent Labour party of Great Britain. On July 17, she addressed the convention. I do not propose to read all her address, but I wish to call attention to some of the things she suggested to this convention that they must adopt in order to be effective.

Mr. MacINNIS: Mr. Speaker, I rise to a point of order. Mrs. Paton never addressed the convention.

Mr. GUTHRIE: That is not a point of order; it is merely a contradiction.

Mr. VALLANCE: I read from the Saskatoon Star of Monday, July 17, 1933:

Stresses Necessity of Changing Present Economic Conditions.

Mrs. John Paton addresses meeting and relates history of I.L.P.; sees striking identity in aims of Canadian and British parties.

Calling for an intelligent rather than a violent and passionate revolution against the present system, and emphasizing the necessity of obtaining power and fundamentally changing the present economic and social system by peaceful means, Mrs. John Paton, wife of the general secretary of the British Independent Labour party, addressing a large gathering in the Canadian Legion hall last evening, related the history of the I.L.P.

You will notice that at that date this convention was in session. I think the dates were the 19th, 20th and 21st—I would like the hon. gentleman to correct me if I am wrong.—She had this to say to them:

The first task of the socialists, the speaker asserted, was to obtain power—complete power over government and all the functions of government so that any insurrection from the ranks of the deposed class might be met with and subdued by military operations.

I merely draw the attention of the house to that. It was not denied at the convention that they would adopt such means.

Mr. WOODSWORTH: Pardon me; as a matter of privilege—

Mr. SPEAKER: Is the hon. member raising a point of order?

Mr. WOODSWORTH: A point of order. The statement that was made was definitely denied, that she attended at the convention.

Mr. SPEAKER: That is not a point of order.

Mr. VALLANCE: We have listened to the group in the "haw corner," as the hon. member for Melville (Mr. Motherwell) called them, quote quite a few authorities to back up their assertions. I would like to quote to them G. D. H. Cole, the British authority on socialism. I wonder if they will agree to this:

We cannot put limits to the pace at which we shall have to proceed when once we set our feet upon the way; nor can we put limits to the degree of dictatorial power which, under the stress of emergency, our socialist government may have to assume. It will be best, as soon as parliament has conferred on the government the necessary emergency powers, for it to meet as seldom as possible, leaving the socialists to carry on.

I now turn to this convention number, the authenticity of which I do not think they will deny, because if you turn to the centre you will find there a photograph of the entire delegation. I find in the front of this a speech delivered by the hon. member for Winnipeg North Centre, the leader of this group. In his address, speaking of democracy, what has he to say? I quote:

"Democracy,"—the rule of the people—is a much discounted word. Little wonder. The democracy which we have known in this country has been government of the people by party machines for the profiteers. The parliamentary machine is antiquated and its procedure obsolete. Government has functioned largely in the interests of the exploiting classes. The untrained masses—

Whoever they may be.

—are quite unfitted to pass judgment on the complicated problems that face modern executives.

Mr. HEAPS: Read more.

Mr. VALLANCE: I will. "The untrained masses"—who are they?

Mr. MACKENZIE (Vancouver): The Tories.

Mr. VALLANCE: No, they are trained. You and I are "the untrained masses," the great Canadian people. Would not that suggest to you that if it were possible for this group ever to get control of this parliament—

Mr. MUNN: They would murder everyone.

Mr. VALLANCE: —"the untrained masses" would be denied the only—not privilege—the only right they have to state by the ballot whether or not they agreed with the policies in vogue.

Mr. STEWART (Edmonton): "There ain't goin' to be no" ballot.

Mr. VALLANCE: The hon. member said, "read on"; I will do so:

But having said this, I must confess that I still believe that the will of the people should prevail. This may appear a hang-over from the high-sounding but empty doctrine of Liberalism. But fundamentally it is sound.

Will you laugh now?

An intelligent and alert citizenship is the only guarantee of freedom.

That is Liberalism. That is what we are preaching. That was not preached in Mackenzie by the Cooperative Commonwealth Federation. In that by-election they even had what they thought was a hand-picked candidate—

Mr. MOTHERWELL: We picked him.

Mr. YOUNG: We kicked him.

Mr. VALLANCE: Yes, it was just too bad. Here he is, L. St. George Stubbs. They brought him from Manitoba—

Mr. MACKENZIE (Vancouver): No. 1 hard.

Mr. VALLANCE: —and they proposed to elect him on the theory that he was a victim of the old political parties. Do you know what they said up there? That there is no difference between the Grits and the Tories.

Mr. MANION: Oh, shame!

Mr. VALLANCE: There was at least this difference: the Grits made a judge of him and the Tories undid him.

The hon. gentleman said he did not deny this handbook, but that there was some propaganda put out by provincial organizations with which they probably do not agree. Certainly they do not; I do not find any two C.C.F. speakers travelling about the country who are in agreement with each other. Right at the very beginning of this book I find:

Handbook for Speakers. Compiled from reports of conferences held in Saskatoon and Regina, January 7 and February 11 respectively, 1933.

[Mr. Vallance.]

So it is not so very obsolete, is it? They have a preamble here, and then the handbook goes on:

Socialization of the banking, credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources.

Now I ask the hon. gentleman who has just taken his seat, what is the greatest natural resource that Canada has to-day?

Mr. MACKENZIE (Vancouver Centre): Land.

Mr. VALLANCE: Absolutely; land, but they found that this was not being accepted. Then they said, "Oh, but we are taking no chances; we have a planned economy, and there is nothing haphazard." I wish we had a blackboard here; to me this is a very interesting document. It states:

This chart is submitted by the central office. It may not be complete in so far as all details are concerned, but is given as an interpretation of a plan on which it would be possible for us to base a new order of society. It is given also as an outline to substantiate the beliefs of the farmer-labour group and the Cooperative Commonwealth Federation as a whole that fundamental economic changes can be made constitutionally.

Let us assume in the explanation of this chart that in the next election the Cooperative Commonwealth Federation has elected the largest group of candidates. The Governor General would ask the leader to form a government; the cabinet would be set up and would proceed along the following lines:

Five boards of commissioners, the personnel of which must be experts in their particular capacities, would be created at once, namely:

1. Economic planning board.
2. Price fixing and adjustment board.
3. Purchasing board.
4. National marketing board.
5. Debt adjustment board.

Time will not permit me to read it all, but I think it would be rather interesting just to turn to the plan and have a look at it, and I am going to deal with it pretty much from an agricultural standpoint. You will notice that there is to be a purchasing board. That is the board that purchases the entire production of Canada, everything that is created here, wheat, industrial products and everything else. They will buy them all and then, after they have supplied the needs of the Canadian people, they will give to the national marketing board that which we do not need. If you had this chart, Mr. Speaker, you could follow it along and see exactly how it works out. They proceed to deliver the excess goods to the world's markets, and then

they use a unique illustration to demonstrate just how this board will function:

As an example of the way in which we can serve our internal and external prices. Let us assume that our national marketing board has one million bushels of wheat—

We usually have between four and five hundred million bushels; they use one million as an illustration, and I want you to remember this while we are dealing with it.

—for which our purchasing board has paid $1 per bushel in Canadian currency.

Get that Canadian currency.

This million bushels of wheat is placed on the world markets, and we receive 25 cents per bushel in international currency.

I do not know whether that is going to be the actual basis of their plan, that every 25 cents we bring from a foreign country for our surplus goods will be multiplied by four and become a dollar.

This creates a credit deposit in our international currency department—

They have a national and an international department. This is high finance, Mr. Finance Minister.

—of $250,000.

Now let us see how we spend it.

With this amount our import board—

This is another board; the one imports and the other exports.

—buys $50,000 worth of sugar, $50,000 worth of coffee, tea, cotton, etc.

Now I ask hon. members of this house to realize that in Canada we produce between four and five hundred million bushels of wheat annually, and while we use for our own purposes about 120,000,000 bushels, a great deal of that is exported as flour. We will say, however, that we use 120,000,000 bushels of a total crop of say 420,000,000 bushels. We have left 300,000,000 bushels for which we must find a place on the world's market, and there they propose to dump that wheat on that market and bring into the country, according to their own illustration, about twenty-five per cent of what we paid for the wheat in Canada. Do they want to try to convince the farmer that he is any better off if they give him $1 per bushel for wheat and he can buy only 25 cents worth of sugar with that amount? I do not care if you charge me $10 a pound for sugar if you give me $10 a bushel for wheat; you get the same thing. That is what is happening to-day in connection with our exports. I am buying as great a volume of Canadian goods, even with the market as it is to-day, as I could buy under this system. You do not give me any more money; you do not give me any less. You give me just the same as I am getting now. I have to give a bushel of wheat for a pound of sugar, relatively, or 25 cents worth of sugar, so what is the difference to me? This does not mean a thing.

No, this was not acceptable to the farmers, and the C.C.F. know, just as the two old political parties know, that without at least some following from agriculture they can never hope to sit to your honour's right.

An hon. MEMBER: They never will.

Mr. VALLANCE: Oh, I would not say that.

Now, Mr. Speaker, I hold in my hand a very interesting book which was written by one of the hon. members in the far corner, entitled An Interpretation of the Cooperative Commonwealth Federation and its Policy, by William Irvine, M.P.

Mr. IRVINE: Read it all.

Mr. VALLANCE: Why, Mr. Speaker, I have read it so often that I could almost recite it without looking at the book, but I want to be fair to the hon. gentleman. I noticed that the leader of this group was very emphatic as to how peaceful they were going to be. I can remember, as I am sure most hon. gentlemen can remember, when some three hundred unemployed marched on parliament in 1930—or was it 1931?—because the present government took the precaution of having the police reinforced just a little bit, the leader of the C.C.F. got up in his place and denounced the government. I had no sympathy with the government at that time and I have none now in connection with that incident, but when you read such things as these—

Mr. YOUNG: Read it.

Mr. VALLANCE: The hon. gentleman said they did not want British socialism, and he enumerated various types of what he called socialism. I know of only one type; whether it is applied in Russia or anywhere else it has to meet the particular conditions existing. It is environment which makes the change; it is the problem that it attempts to solve. That is what makes the Canadian problem different from any other, because our problems are not those of Russia. This gentleman, William Irvine, has the following to say about it:

While it is neither practicable nor desirable for the movement for a new social order in Canada to repeat the methods and acts of

Russia, we may well be proud if we can achieve as much for our people in this generation as Russia has achieved during the last five years. Whatever else may be said of Russia, her people are at work; they are fed and clothed—

I wonder if the hon. member for East Hamilton (Mr. Mitchell) agrees with that. I know he does not. To continue:

—they are fed and clothed and have an assurance of equal economic security.

Since the group which now controls the destiny of Russia took office, how many times have the people had any say as to whether or not they agreed with their government? Not once. The socialists themselves assert that it is not possible for the people to have a say in the government. Then, to continue reading:

Whatever else may be said of Russia, her people are at work; they are fed and clothed, and have an assurance of equal economic security; they have a great ideal towards which they are moving under the direction of intelligent planning, and they have a hope of ultimate success which we as a people lack in Canada.

Mr. IRVINE: Would the hon. gentleman mind quoting the first part of the paragraph?

Mr. VALLANCE: I have quoted the whole paragraph.

Mr. IRVINE: That is misrepresentation; that is what I would have expected my hon. friend to do.

Mr. VALLANCE: I do not wish to become personal. Now, Mr. Speaker, we know what happened in the Mackenzie by-election. The C.C.F. cannot stand even to be criticized, but they want to be allowed to run at large across the country denouncing everybody, and making each person appear to be a crook. They want the people to think that no one is working in the public interest except themselves, and that all the rest of us are here just to fill our own pockets and to live a life of luxury. Why, only the other day my friend from Wetaskiwin (Mr. Irvine) who has so much to say, mentioned the fact that very few hon. members were in the house. I have counted the members of this group time and again, and have reason to know just how well they attend, if this resolution were not now under discussion there would not be three of them in their seats. There is no group in this house large or small that gives such a small attendance as they do. Why, half of the time there are not three of them in here; there should be a roll call every half hour.

No, Mr. Speaker; the people of Canada are well aware of the conditions we are passing through. I will say this for the C.C.F., that their leader is sincere.

An hon. MEMBER: Not all the time.

[Mr. Vallance.]

Mr. VALLANCE: Yes, I think he is; but there are a good many attempting to follow him who are not as sincere as he is. In the past year the people of Canada, "untrained masses" as they may be, by their ballots registered disapproval of anything the C.C.F. had to offer.

The handbook from which my hon. friend read is well worth reading. I believe even those of us who are most prejudiced against their policy will admit that in this book they have attempted to write something which would appeal to the electors. The convention was held in July. Since then three by-elections have been held in Canada, one in New Brunswick, one in Quebec and one in the West. The "untrained masses" spoke, and there was not one C.C.F. victory. In British Columbia there was a provincial election and again the people spoke, but probably not as emphatically as they did in the rural centres. The C.C.F. realize, as I stated before, that without the huge rural vote they can never hope to sit to the right of the Speaker. In the last year their whole effort has been towards winning the confidence of the farmer and his support of their political viewpoint.

Last summer I did considerable travelling, and happened to be in Mackenzie constituency for a couple of weeks during the by-election. While in that constituency I met many people, and there was a disposition on the part of some to believe in the C.C.F. theories—and I use that word, because they are only theories. I see sitting in this chamber to-night others who were there at that time, and who were not supporting the candidate who won; I believe they will agree with me that as the day of the election approached we could see the C.C.F. fall as grain before the sickle. Had it not been for the storm on the Friday before the election, instead of John Angus MacMillan winning by 1,600 votes he would have won by 2,600. Throughout the campaign the C.C.F. attempted to tie the two old political parties together. It was suggested even that the Conservative candidate would be taken out and that we would bind our forces together. Nothing like that happened; we fought the Tory just as hard as we fought the C.C.F. and the United Front. It seemed to me a tragedy that two groups so closely related, the C.C.F. and the United Front, much more closely related than the Grits and the Tories, could not have united. There was only one reason they could not unite and that reason was Lewis St. George Stubbs. That was the reason they could not unite. I think they learned a lesson in that by-election. During the campaign we denounced the Tory policies and the record of the government. The Tory

party has a record and a history; we have a record and a policy. All the C.C.F. had to offer was a program, but the people chose to believe in some group that had accomplished something and had a hope for the future.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, the resolution on the order paper and now before the house has been very carefully worded. It reminds me of the old fable about the wolf in sheep's clothing: the "wolf" part appears about the middle of the resolution, and is contained in the words "the principle of cooperative production and distribution," and the soft, gentle, "sheep" part is in the last few words, "in which human needs should be the first consideration." It is too cold now, the parks are filled with snow, and the soap boxes have been taken away but all summer long the people of Toronto and of other cities have had to listen to speeches on this same sort of resolution in various parks and from a hundred and one soap boxes and platforms throughout the city. As the speaker who has just sat down (Mr. Vallance) has intimated from soap boxes and platforms men of finance and men who have been successful in business and commerce have been denounced every night in the week. There has been never a good word said of those who have been successful in business and who have given employment in this country—only denunciation of all they are trying to do.

The question of profits has been mentioned. Production is to be without profits. Of course, no one in his right senses would produce without profit in any event, if he could help it; but the party in the southeast corner are expecting to produce without profits. A Cooperative Commonwealth Federation speaker, S. W. Cheshie, speaking in Queen's Park, Toronto, on August 22, and reported in the Toronto Telegram of August 23, made an address advocating the C.C.F. doctrine, and then he advised his hearers to take the C.C.F. magazine, a weekly paper, and he made this statement:

> A profit of three cents per copy will therefore find its way to the coffers of the various clubs.

I might say that the paper sells for five cents a copy. I never heard of a manufacturer asking for a profit of 150 per cent on his product.

I have in my hand a letter from the Fuego Oil Company, dated October 1, 1930, from which I quote this sentence:

> The usual profits from a gusher oil well are such that even the smallest stockholder can benefit remarkably. Remember also we have 10,600 acres of leases, and after one gusher blows in our leases and stock will rise to tremendous values.

Another letter was sent out on August 9, 1932, by the Fuego Oil Company. It says:

> It holds untold promise for those of you who now take up the fight to make this field a truly successful oil field. It is already proven as a producing field, our well has opened up many miles of new potential production area, and with your help we will go on to make it pay you what you have expected from your investment.

I hope this oil company makes money. I hope that any company and any investor makes money. I hope that the directors of this oil company makes money. The directors are as follows: Agnes C. Macphail, M.P., Ceylon, Ontario; Margaret Macgregor, Toronto, Ontario; Mr. H. B. Miner, Milwaukee, Wisconsin; A. O. McArthur, Oyen, Alberta; Herbert J. Kelly, Toronto, Ontario. From this list of directors you will see, Mr. Speaker, that human frailty as evidenced in the desire to make profits is common to the whole human race, and everybody, when he or she gets the chance, likes to make an odd dollar or two honestly.

There is nothing new in this doctrine of cooperative production and distribution in which human need should be the first consideration. This doctrine was advocated in the time of Plato, which was long, long ago. It was advocated in the 18th century by Rousseau and Weishaupt, whose articles and speeches had much to do with causing the French revolution. It was advocated again in the 19th century by Karl Marx, who added to the theories of Rousseau and Weishaupt some of his own, together with those of Louis Engels. So there is nothing new in this at all, and it amazes me how men will get up on soap boxes in the parks and try to make their hearers believe that there is something new in this doctrine. Wherever it has been tried it has never gotten anywhere, except in Russia at the present time, and certainly it will never get anywhere in a country like this.

I was very pleased with the very mild manner in which the leader of the Cooperative Commonwealth Federation spoke to-night. He was nothing like as strong in his language as I have heard him on other occasions, but that should not mislead anybody, he would not do that, but in all revolutions, once the revolution gets started, the mild-mannered leaders of the commencement are discarded and more vigorous leaders take charge and run the country through all the ramifications of a real revolution. That is what happened in France, where Mirabeau and Danton were sidetracked, and Robespierre came in. The same thing happened in Russia where Kerensky was sidetracked and the present group of rulers

inflicted the cooperative commonwealth policies on Russia, which were responsible for the slaughter of 500,000 Russians and destruction from one end of the country to the other, and for the annihilation of all forms of democratic and responsible government. It has been well said by the hon. member for South Battleford (Mr. Vallance) that there has not been any election in Russia since the Cooperative Commonwealth Federation of Russia took hold of the reins in that country.

I state, and I do not think it is necessary for me to bring quotations to my support, although I have ample quotations to prove it if I am challenged, that cooperative commonwealth federationism is socialism. There is no contradiction of that.

I go further and say that socialism and communism have identically the same objectives. There is no difference in their objectives. The final aim in each case is cooperative commonwealthism, and that is what is advocated for this country.

The speaker who sat down said something about violence, and I should like to quote something in that regard. I quite agree that the hon. member for Winnipeg North Centre (Mr. Woodsworth) does not by any means advocate a revolution, but I can hardly reconcile his mild manner to-night with the statement he made in parliament on February 1 of last year, when he said:

> Let me say that we must distinguish clearly between the Cooperative Commonwealth Federation and communism. It is quite true that both believe in a changed social order, in a new economic system. The communists are convinced that this can be brought about only by violence.

That is right; that is the communist doctrine. The objective is the same in each case, but the communist says; We must reach our objective quickly by violence, while the socialist says: Let us have an educational campaign to try to attain our objective if we can by the vote. But the Cooperative Commonwealth Federation does not say how it would get its objective if it did not get it by the vote. But here is one clause in the cooperative commonwealth platform that was adopted at Regina, and if I am in error I hope that some member of the Cooperative Commonwealth Federation will correct me. This plank reads:

> The object of the confederation shall be to coordinate the activities of member organizations in order to promote through political action and other appropriate means, the establishment in Canada of a cooperative commonwealth in which the principle regulating production, distribution and exchange, will be the supplying of human needs and not the making of profits.

[Mr. MacNicol.]

That little phrase in there, "and other appropriate means", is the joker as I see it.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: It is all very well to laugh about it, but you will not likely get it by voting, so what are the appropriate means? The various speakers of the C.C.F. say that it must come and the leader of that party in his speech on February 1 last made this statement:

> The communists are convinced that this can be brought about only by violence. They think it cannot be done in any other way. We believe that it may come in Canada by peaceful methods. . . . It may very well be that force may prove inevitable.

That corresponds to the joker. Now, the whole concentration of Marxism is contained in this resolution before us to-night. The resolution embodies the very first principle of the platform of Marx's doctrine, the principle of surplus value, which means that the profits of the factory do not belong to the capital invested in the factory, that the difference between what a factory sells its goods at and the cost at which they are manufactured belongs to the workers and none of it to the factory itself. Well, no factory will remain in existence under such conditions.

Mark you, I am a firm believer in a fair return to labour. My whole life has been associated with labour—I am referring to the actual operatives, the men who work with their hands and heads and not so much with their tongues. I am referring to the man who produces in a factory and not the man who talks on a soap box; the man who does something with his hands or his head to develop the country, and not the man who tries to pull down the country. I repeat, I am in favour of labour getting a fair return, but I am satisfied that no industry in this country, no member of the C.C.F., would attempt to produce unless there was the possibility of a fair return. I think I am correct in that statement after having quoted what has been sent out by the concern to which I have referred, one of the directors of which is a leader in the C.C.F. This doctrine advocated in the resolution before us to-night has never been adopted in any country except as the result of class struggle in which the workers have massed together to overthrow the government of the country and thereby destroy not only the government but industry as well. I am opposed to class struggle. I am in favour of cooperation between the producer and the man who works in the factory to produce, and between them and the consumer. I cannot

see how anyone of these three factors in the industrial system can be dissociated from the others. It seems to me their interests are identical, and if one fails all three parts of the industrial fabric of the country must also fail.

Now, the leader of the party, as he sat down, referred to the abundance under our system; the country, he said, has broken down while it has an abundance of everything. And of course, I inferred that could not possibly prevail, according to his argument, under a cooperative commonwealth. Well, there is a cooperative commonwealth in Russia and I look forward with great interest to what the hon. member for East Hamilton (Mr. Mitchell) will say in this regard when he gets up to speak, because I enjoyed reading what he said when he returned from Russia—not of course the trouble in Russia, nor the distress and suffering, because trouble and distress and suffering are to be deplored anywhere. I wish the Russian people every success, and I do not like to see trouble anywhere. The Russian people have behind them long years of success, but see what they have fallen to to-day under a cooperative commonwealth. As reported in the Toronto Daily Star on July 31, the hon. member for East Hamilton is reported as follows—and he will know whether he was correctly reported or not:

> There are conditions in their factories which the Canadian people wouldn't stand for one minute. Girls walking around barefoot on iron filings, and that kind of thing. But worst of all, is the shortage of food. It's not too bad in Moscow, it's a little worse in Leningrad. But out in the country, it's terrible—especially in the south, where much of the food is grown. I saw I don't know how many hundreds of people starving, in Kharkov and Kiev.

The reporter asked him a question:

> How did you know they were starving? "I've got eyes. You don't need to be a scientist to know a person is starving. When white-faced men and women, and children with distended bellies, crowd around the train at every station begging for money or food—then it's a pretty sure guess they're starving. I saw hundreds of them in Kharkov and Kiev. They didn't even have the traditional dried fish and cabbage soup. They were down to bread and water—and sometimes less than that. . . .
> There may be a lot of nonsense talked about liberty—

Yes, Mr. Speaker; there has certainly been a good deal of such talk in this country and in this house—I am not referring to any particular corner of the house.

> There may be a lot of nonsense talked about liberty; but you appreciate it after you have been to Europe. Life is too short for that kind of thing. When I say this back home, some of them won't like it, but it's the truth; things are bad in Russia.

That is the effect which a cooperative commonwealth government has had on Russia, and no matter how bad conditions may be in Canada, I think it will be agreed that they are infinitely superior to anything in that country. I call to witness the hon. member for East Hamilton, who went over and made an investigation and was good enough to grant an interview to the press. I for one choose the Canadian system, and I am sure that that hon. gentleman will too, in preference to the Russian plan which the resolution calls for—in my opinion straight communism as practised in Russia.

There was a Regina platform and a good deal has been said about it to-night. I want to say a word or two in regard to it myself, not so much with respect to the planks particularly as in regard to what took place there. I agree with the leader of the C.C.F. that his desire is to keep communism out of his party, but he cannot keep communism out of it. The objective is communism or the result of communism, and this cropped up very vigorously at Regina. At the C.C.F. convention there was a delegate named William Moriarity, and I should like to quote what he said. A resolution had been moved to abolish violence from their platform. An amendment was moved by Mr. Moriarity, a delegate from Toronto seconded by Mr. E. K. Winch, delegate from Vancouver, and in the course of his remarks Mr. Moriarity said:

> "The methods suitable to capitalism are those of force," declared Moriarity. After citing examples where peaceful methods in Europe had failed, he declared, while he was in favour of constitutional methods: "If the ruling class opposes the will of the people, we must use a method suitable to the occasion."

Force is communism; force is what distinguishes communism from socialism, the objects of each being the same.

Mr. Moriarity attended the communistic convention at Moscow in March, 1925; in May, 1925, he attended the communistic convention at Glasgow, and in October, 1927, he was appointed organizer for the communist districts eight and nine, Alberta and British Columbia, with headquarters at Edmonton, Alberta. At Regina there were other delegates who had communistic tendencies. I said once before and I will say again that if all those who have communistic tendencies are banished from the C.C.F. party, a large number will be put out of the party.

The hon. member for Winnipeg North Centre stated that farming was not included in his program of socialization, but on February 1, 1933, he made this statement in giving a short definition of the cooperative commonwealth:

> A community freed from the domination of irresponsible financial and economic power, in which all social means of production and distribution including land, are socially owned and controlled either by voluntarily organized groups of producers and consumers.

That includes land and land means farms.

Mr. WOODSWORTH: Will the hon. gentleman permit me to say that if I recognize that, it was the statement as prepared two years ago by the United Farmers of Alberta.

Mr. MacNICOL: So that as the farmers are not in accord with socialization of land it was decided to delete that. I do not think the farmers will swallow that, hook, line and sinker. The farmers in the old counties of Ontario who hewed their farms out of the forest, cultivated their land and handed it on to their families are not going to support any party which has even a back door design on their land.

I should like to quote what the hon. member for Vancouver South (Mr. MacInnis) said at Regina:

> If the farmer wants a cooperative commonwealth in which everything is socialized but himself—

Apparently there was a great deal of opposition at Regina to socializing land.

> —then he had better have a cooperative commonwealth of his own.
> If the farmer is to enjoy the benefits of cooperation, he will have to come half way.

There never was any half way in revolution; revolutions as a rule, once they got started, went all the way. If the farmer thinks he can afford to support the C.C.F. plan of socialization and will escape having his land socialized, then he is very much mistaken; it cannot be done.

The mover of the resolution spoke very strongly against the capitalistic system. Well, it is communism to denounce and advocate the overthrow of the capitalistic system. I should like to quote one of the clauses in the thesis of the Third Internationale at Moscow:

> The communist international is the concentrated will of the world revolutionary proletariat; its mission is to organize the working class of the whole world for the overthrow of the capitalistic order and the establishment of communism.

So that the overthrow of the capitalistic system is the platform or plank of the Third Internationale communistic organization at Moscow, and being a plank of the C.C.F. in Canada, that plank in any event is communistic.

I should like to say what the C.C.F. is proposing to do as announced on the soapboxes and platforms in Toronto during last summer, Mr. Philpott on May 27, made the statement:

> The C.C.F. is adamant on one thing the whole banking system must be socialized.

And again, on June 3, he is reported as saying:

> The C.C.F. was going to socialize all the essential things of society on a basis of service, not selfishness; on a basis of human needs, not the satisfying of human greed. Among the essential things would be medical health service, milk, meat.

If the house will keep track of the number of things that are going to be socialized, it will observe there is hardly anything left. On June 10 Mr. Philpott is reported as stating that the capitalistic system must go. He goes on to say that it is: "rotten," "insane" and "dead." I shall have a word to say about capitalism later on. Another C.C.F. speaker is quoted on July 16 as saying that the British North America Act, which is the basis of all our rights in this country must be abolished.

Then the hon. member for Southeast Grey is quoted on June 1 as stating that the insurance of Canada must be nationalized. Again Mr. Buckley, one of the C.C.F. leaders in Toronto, stated on August 29 that the Senate must be abolished. In Trinity park at Toronto, on August 30, C.C.F. speakers announced that when they obtained power there would be no salesmen. Of course salesmen would not be required under the system as announced tonight by the leader of the C.C.F., so that travellers and others engaged in selling throughout Canada would also be out of jobs.

Speaking at Stratford, on September 9, the hon. member for Southeast Grey is quoted as wishing to abolish all the businessmen in Canada, in a joking sense:

> "I believe that what makes the C.C.F. most appealing," said the speaker, "is that it is so blatantly idealistic. We have had enough of the hard-headed business man and the superman. They should be dumped into the lake."

Pretty hard treatment!

On November 18, Mr. Philpott, speaking in Massey hall, Toronto, announced that the public utilities, gasoline companies, milk, meat and coal companies will all be socialized and that the stock exchanges must be abolished. I wondered where all the money is to come from with which to do all this,

because, as the leader of the opposition well said in speeches in many of the western provinces during the summer, confiscation without compensation would bring about civil war, or words to that effect. But the hon. member for Southeast Grey stated in a speech at Walkerton that a central bank would be established when they obtained power, with authority to print bills and lend same without interest. That kind of bank would be as sound as the snowbanks out in front of this building.

Something was said by the mover of the resolution in reference to the concentration of wealth. I would like to give a few figures in that regard.

There are 80,568 depositors in Canada's eleven loan companies. The average deposit is $358.

There are 70,808 in Canada's thirteen trust companies. The average deposit is $384.

There are 2,821,876 credits to policy holders in Canada's twelve life insurance companies, the average deposit being $478.

There are 4,460,000 depositors in Canada's banks, the average deposit being $413.

I have not the figures of stock holdings in Canadian industrial companies, but I venture to say that in many they do not average any greater amounts than those I have just recounted. This all goes to show that the great masses of the investing Canadian people are investors in good securities, and the amount of their investments is far greater than the amount of the investments that we were led to believe earlier in the evening were held by the very rich.

Now I would like to say a word in reference to the capitalistic system. I am a believer in the capitalistic system, and I am opposed to the Cooperative Commonwealth Federation system. My observation of history is that the world owes more to the capitalistic system than it does to any other finance system under which man ever operated from the beginning of this world. The capitalistic system does give every man and woman an equal opportunity to strive, to study, to acquire knowledge, to achieve, to invest money in business, to give employment and to make what he can. It teaches them the laws of thrift; it teaches them that a man must live right to get along, and let his brother man do as he himself would like to do. I think it exemplifies the golden rule in its principles better than any other system. I am quite aware that there are and have been things going on that should be remedied, but these are violations of the capitalistic system; they are not principles of the system, and members of this house, and those who sat here before us, have been trying through the years to improve these things. But the principles of the system itself in my humble opinion are the best that have been devised for the conduct of business in this world and for providing employment and giving people wide opportunity.

I have noted of late with much satisfaction that great labour unions in several cases have been dissociating themselves from the principles of the Cooperative Commonwealth Federation. And well they should; there is little in common between true labourism and the principles of this federation. I worked for a quarter of a century with men associated with the labour unions; I know what they have done and I am glad to give them credit for what they have done in alleviating conditions that men worked under a quarter or half a century ago. The labour unions have done a great deal of good in this country. They have had sane leaders who have cooperated with the governments of the day in trying to promote legislation beneficial to labour. I am in accord with any legislation that is good for labour. I worked with 900 men for many years. If in this house I can lift my voice in favour of raising the status of the average man who is called the workingman or labour man, I am going to do so.

I am glad to see that these organizations that have nothing in common with socialism or communism have dissociated themselves from the soap box oratory that has been flooding this country for the last two or three years, but which, thank goodness, is on the downgrade. It may have flourished a little for the last year or two, but to-day it is going downhill. Let me tell my good friend the hon. member for South Battleford that he need have no fear of the members in the southeast corner of this house or their party ever sitting to the right of the speaker as a government.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, certain things that have emanated from at least two of the speakers to-night have brought me to my feet, and I intend to follow up the hon. member for South Battleford (Mr. Vallance), and the hon. member for Toronto Northwest (Mr. MacNicol), who has just spoken.

I think it was the hon. member for Vancouver who interjected a remark during the speech made by the hon. member for South Battleford, that the members in this corner of the house do not agree. Well, I remember a speech that was made on the floor of this house last year by the very eloquent member for

Vancouver, in which he twitted the member for Weyburn about his lack of knowledge of finance. The hon. member for Vancouver said: You know nothing about finance; you should stick to the tariff. There are others in the group also who hold that view with regard to these questions. Now I am not a communist; I agree with what the last speaker has said in regard to certain things that are taking place in the southern part of Russia especially in regard to agriculture. A little later I intend to say a few things about how agriculture is being carried on in Russia.

Speeches in this house, not only on this subject but on other subjects, have disclosed three distinct orientations. Hon. members on the other side very frankly say they would conserve everything good we have in the system at the present time on the protective principle. Hon. members on this side would let things take their own course and, Micawber-like, wait for something to turn up; while the group in this corner would welcome planning on the cooperative principle. Whatever we may think about the policies of the Prime Minister (Mr. Bennett), we at least must agree that he has very frankly advocated the policy of protection. He said he would raise the tariff, and he did so. On the other hand the right hon. leader of the opposition (Mr. Mackenzie King) as much as said, "Put me in power and I will lower the tariff." As one speaker said in the west, the right hon. gentleman starts out by lowering the tariff and ends by raising it higher than it ever was during his regime. The other day I saw a cartoon in Maclean's magazine. The Prime Minister was pictured hunched on the back of a donkey, looking very dejected, and behind him were seen many unfulfilled promises. In an oval inset the leader of the opposition was sitting in a chair warming his feet at a fire.

Mr. GOTT: The last round-up.

Mr. LUCHKOVICH: The Prime Minister was pictured as going to the last round-up, singing, "Get along, little doggie, get along," but the leader of the opposition was pictured dozing near a fire, oblivious to the storm that was raging outside. I believe that no matter what we may say about the policy of the Prime Minister, to me and to hon. members even on this side of the house he looked more like Richard the Lion-Hearted on a very spirited prancer fighting what to many looked like a losing battle.

When I listened to the lengthy speech of the leader of the opposition I marvelled that a man could speak for four hours without uttering a single sentence in respect of the policy through the instrumentality of which he was going to get this country out of the mess in which it now finds itself. There are people in Canada who still think that all we need is to change the government and put the other party in power, but during the next three, four or five years they will realize that the leader of the opposition cannot play the part of a magician and pull out of a hat rabbits that are not there.

So, Mr. Speaker, the policy of one party in Canada is protection and the policy of the other party is low tariff. I have often heard members say in this house that all we need to do is lop away the mouldering branches. That argument is all right as far as it goes, but what are we to do if the whole tree is rotten? I suppose we will have to chop down the whole thing. Having this in view the resolution proposes that we set up in this country a cooperative commonwealth. So far as our friends to your left are concerned, Mr. Speaker, the only policy they have to offer is the old policy of the tariff. That has been a political football down through the ages; it is a policy that has been fought out between the tweedledums and the tweedledees ever since confederation. All this talk about the tariff reminds me of a bashful young suitor who was sitting beside his lady-love on a sofa. He saw a cat meander into the parlour with its tail in the air, and he said, "Mary, look, isn't that wonderful?" Mary answered, "I don't see anything wonderful about that." "No," he said, "that is true, but just the same it gives me something to talk about." That is all the tariff does; it gives the old parties —especially the party to the left of the Speaker,—something to talk about. The hon. member for Weyburn laughs. He is the Liberal medicine man who usually employs these tariff incantations, not only in this house but throughout the country. He has done so in his own constituency, and he did so during the last by-election in Mackenzie.

Mr. YOUNG: Rather effectively, too.

Mr. LUCHKOVICH: Well, I was there and I know a little about what went on in that constituency, but I do not intend to deal with that to-night. But if this tariff weapon were taken away from him he would feel like a hen in the lake, or like a fish out of water.

Mr. YOUNG: Is that why you want to take it away?

Mr. LUCHKOVICH: If we were to honestly ask ourselves how much the tariff would have to be lowered in order to get out of this depression, no doubt the best economists of

the land would tell us that the whole thing would have to be wiped out in order to help the people of this country. A reduction such as has been practised by the Liberal party since confederation, when in power, will have about as much effect in solving the problem of the present economic situation, to use the words of the Ottawa Citizen, as a small garden hose would have on a large forest fire. Nevertheless, this tariff talk goes on and on. The fakir on the street never lacks listeners, and Liberal tariff incantations also draw the crowd, as the hon. member for Weyburn has said, sometimes very effectively, as in the Mackenzie by-election.

Mr. GOTT: Did he display his socks up there?

Mr. LUCHKOVICH: Well, it was pretty cold up there, and I think he had on a couple of pairs.

The group in this corner has always advocated low tariffs, but we believe that words without deeds would be as sounding brass and tinkling cymbals. Living in a world of reality we know that Liberalism will not lower the tariff enough to do much good, and therefore we have turned to something which we consider more fundamental in times such as these; we have turned to a reform of the monetary system, the bringing about of a better medium of exchange and a better means of distributing the great abundance of the goods we have now to a public bereft of the purchasing power with which to buy the necessities of life. Personally I think the laissez-faire policy practised by our friends to the left of the Speaker, the attitude of sitting by the fire and waiting for the clouds to roll by, is still the only policy they have to offer, notwithstanding what the hon. member for South Battleford told us a short time ago, which was nothing at all.

Therefore I do not see, Mr. Speaker, what in the world they have to go into ecstasies about in regard to the next election, for I believe that if the leader of the opposition does not run into his usual luck, with the help of providence, his lot will be far more miserable than he feels the position of the Prime Minister to be at the present time. The hon. member for Labelle (Mr. Bourassa) spoke the truth when he referred to the sullen apathy of the public towards all administrations, be they Liberal or Conservative.

Mr. YOUNG: Or C.C.F.

Mr. LUCHKOVICH: There is no C.C.F. administration at the present time.

Mr. DAVIES: What about Alberta?

Mr. LUCHKOVICH: It has not been proven yet; we have had no election there, and there is no criterion by which we can measure the Alberta government at the present time. But anti-government feeling does not necessarily mean a pro-Liberal sentiment throughout the country. I feel deep down in my heart that what the people of Canada want is not a change of party but a change of policy, because merely bringing the Liberals back into power without a radical change of policy would be grasping at the shadow and letting the substance go by. I believe if the Liberal party has nothing more to offer than a measly reduction in the tariff their efforts will be met with the odium and reproach of a public sinking deeper and deeper into the mire of ever-increasing bad times.

At a gathering of farmers last summer the relative prosperity of the country under Conservative and Liberal regimes was under consideration. One old timer longed for the old Liberal party and the good times which existed when they were in power. Another old timer, replying, stated that under the Conservative regime times were just as good. "What about the price of wheat, of hogs and of cattle under Mr. Borden's government?" one asked. He declared they were higher than they had been in the days of other governments. Well, those days were different, and I believe everyone will agree with me that it did not take exceptional statesmanship to administer the affairs of Canada in good times, but I hold that it takes near genius to administer the affairs of Canada in times like this. It is no use for any leader to bask in the sunshine of the past and to refer continually to what men have done for Canada in days gone by. The people are not asking themselves what Sir Wilfrid Laurier did for Canada, or what Sir John A. Macdonald did for Canada, but they are asking: What is the leader of the opposition going to do for Canada when he gets into power? They want to know what his policy is going to be. During the four hour speech of the right hon. gentleman I certainly did not hear of one principle or plank through the instrumentality of which we are going to get out of this depression.

Mr. BOTHWELL: Did the hon. member read a speech delivered by the leader of the opposition last February in which he laid down the policy?

Mr. LUCHKOVICH: No, I did not read that speech, but I certainly could not get anything out of the four hour speech he delivered the other day. He paraphrased a prayer, and I think that is about all he did. The mere paraphasing of the Lord's prayer will not impress anybody.

Mr. MOTHERWELL: That was not the Lord's prayer.

Mr. LUCHKOVICH: What we need is a plan to increase purchasing power, a plan to raise price levels and to coordinate the various industries. An hon. member who spoke earlier in the evening said that cooperatism—I believe that is the word he used—is akin to communism. May I say to him that if I thought that was so I would not believe in cooperation. When Canada is ever brought down to an agricultural system administered as it now is in Russia I will no longer give my support to a cooperative movement. Of course I am going to be told that we cannot regiment people without destroying individual initiative and personal liberty. But I would like to ask this question: What does initiative mean in a world where it can no longer be exercised, a world where people are on the verge of starvation in the midst of plenty? There are hundreds of mechanics and technicians without work to do, through no fault of their own. They are just as able as other men who have been fortunate enough to secure positions. Where have those young men and women a chance to exercise any initiative? What does that initiative avail them when they cannot find work to do? The best that can be said of their liberty is that the right is not denied to them to degenerate in enforced idleness and to pine away in the misery of thwarted effort. Therefore I believe that work, as well as subsistence, whether we like it or not, is bound to be given to them by the government of the day, whether that government be Conservative, Liberal, U.F.A., Labour or C.C.F. As one lecturer has put it, if we could regiment men and industry to kill Germans during the war there is no reason why the same cannot be done to rehabilitate Canadians in Canada during times of peace.

I deprecate the insinuation that the policy of nationalization and planning advocated by this group would inaugurate a system of communism such as is now being practised in Russia. The soviet method of ruthless force, terror and autocracy could never be tolerated in a democratic country such as this. The ballot and not the bullet will be our method. I personally would not tolerate belonging to a group if I felt that its plan were to be modelled on the bolshevist prototype especially in regard to agriculture, and I submit my reason for that attitude.

For many months rumours of extreme hunger have been rife in regard to what formerly was the richest, the happiest and the most fertile part of Russia, namely the Ukraine. Letters have percolated into Canada.

I have read dozens of them, in which conditions in the southern part of Russia were painted. Many demonstrations have been held in New York, Boston and in other places on this continent against the hunger existing in the Ukraine. Hundreds of resolutions have been sent to the President of the United States and, I am sure, many have been sent to the Prime Minister of Canada. Possibly the following resolution which was sent to the President of the United States will convey some idea of the conditions which now exist in the Ukraine:

> Whereas, the population of the Ukraine, the richest and most fertile agricultural section of Russia, commonly known as "the granary of Europe" now part of the Union of Soviet Socialist Republics, is at the present moment in the throes of famine, many persons died and many are dying on account of the lack of food; and,
>
> Whereas, the present condition of famine and starvation in the Ukraine has been brought about by systematic and ruthless collection of all grains and foodstuffs by the Russian Soviet government from the Ukrainian people and by using same for export and military purposes; and,
>
> Whereas, the Russian Soviet government officially denies all reports of famine and starvation in the Ukraine, and denies to the civilized world the right to assist these starving people; and,
>
> Whereas, Ukrainians in the United States are continuously receiving letters from their relatives in the Soviet Ukraine reporting deaths, disease, sickness and privation from lack of food; and,
>
> Whereas, great newspapers of the world have substantiated these private reports in so far as their correspondents have been permitted to do so; and,
>
> Whereas, requisitions of all grain in the Ukraine by the Soviet government is still going on, regardless of the fact that thousands are starving in this district for the want of food; and,
>
> Whereas, in view of the above facts it appears that the Russian Soviet government is deliberately trying to wipe out the masses of the Ukrainian people.
>
> Now therefore be it resolved:

I shall not read all that follows because it is too long. It gives the number of people at the meeting, and the place at which it was held, and concludes as follows:

> We protest in strongest terms against the action of the soviet government in removing the grain and foodstuffs from the Ukrainian provinces so as to leave the inhabitants in such provinces in a starving and helpless condition, and we appeal to the public opinion of the civilized world in the hope that they will protest and force the soviet government to cease this ruthless policy of starving the people of the Ukraine.

The chairman of this mass meeting was a man by the name of Petrowsky, but the chairman of a similar meeting held in Boston was a man by the name of Sullivan, an Irish-

man. I have also in my possession a letter written to Nation's Business, Washington, in December, 1933, by Mr. Witting Williams. I do not intend to read that letter at any great length, but I shall refer to a few of the remarks which he has made in regard to the famine over there. He says:

> Famine, last winter and spring, caused fully 5,000,000 deaths!
>
> 1. Though unbelievable here, this situation is no longer news in Europe.
>
> 2. Practically all foreign-born but resident observers put the figure higher than the 5,000,000 victims of "Hungary '21." This hunger has been more widespread. It has also not been lessened by '21's $70,000,000 of American relief. (Party members—3,000,000—last autumn denied the situation and frowned upon helping the starving.)
>
> 3. Amongst themselves upper-class Russians are reported to discuss whether the dead have totalled 15,000,000 or only 10,000,000! Nobody can know: Doctors (all government-employed) dare report death only as due to "Weak Heart" or "Exposure." Big increase in death-rate—also in number of tuberculous young—remains unexplained.
>
> 4. Moscow correspondents last August were denied access to the district I was visiting. One well known correspondent pooh-poohed all hunger rumours, but now confidentially admits "five million."
>
> 5. Two other reasons for America's ignorance of conditions are: (a) Army control has lately made censorship both stricter and dumber; (b) "We residents didn't know why Yalta was suddenly, one morning, empty of all beggars and starving—until, about 11 o'clock, we saw hundreds of foreign tourists!"
>
> 6. I personally saw children and grown-ups dying of starvation.

I do not intend to read any more.

Mr. STEWART (Edmonton): May I ask the hon. gentleman a question? Did he state some moments ago that a meeting was held in Russia or in Boston?

Mr. LUCHKOVICH: In Boston there was one mass meeting and another in St. Louis. The chairman of the meeting in St. Louis was a man by the name of Petrowsky.

Mr. STEWART (Edmonton): I thought the hon. gentleman said that one of the meetings was held in Russia.

Mr. LUCHKOVICH: No. Many protest mass meetings were held in the United States against what was taking place in Russia.

I might be asked how I know all these things. I might be asked to substantiate the numbers who have died of hunger in Russia. It would be impossible for me to do so. All that I can say is that I have read dozens of letters coming to Canada from relatives in Russia, and some spoke of cannibalism and others of the population of whole villages being decimated. I have some of these letters with me now but for lack of time I do not intend to read them.

Suffice it to say that agriculture is in a very bad way in Russia at the present time. In Europe Cardinal Innitzer of Vienna has sent out an appeal to the Roman Catholic world, especially in Europe, for help for these suffering millions. Appeals have also been sent from France and other countries in Europe. Mr. Mowinkel, the president of the league council, has tried to put this matter on the agenda of the League of Nations, but without success. There were too many axes to grind, too many impending non-aggression pacts, and so finally he handed the whole matter over to the International Red Cross. Dr. Ammende, the secretary or president of the Minorities Association, also sent out an appeal to the civilized world. Even Leon Trotsky, the former leader of the bolshevik party, said in a recent article:

> The agricultural policy in Russia is leading to bankruptcy.

Hon. gentlemen may ask what has all this to do with the resolution before us? I only bring the matter up because it has already been brought up on the floor of the house to-day. I bring it up because if any such thing should happen to agriculture in Canada I would be the first to dissociate myself from any form of cooperation that would result in anything happening in this country such as happened in Russia during the past year.

Walter Duranty, in a book called Tragedies of Russia, says that many former admirers of the policies in Russia who have been over there have now come back to this continent and in sullen silence have refused to answer any questions. Why? Because, as Duranty has said, no one who has not seen the reality would believe the report, and that the power of the dream will be greater than any truth.

The United Farmers of Alberta have always stood firm on the principle of equal rights for all and special privileges to none. It is my duty as a farmer member to sit in eternal vigilance in behalf of the farmer interests of the people who sent me here, and certainly any attempt to fetter the farmer such as is evidently taking place in Russia to-day would meet with my most vigorous condemnation and disapproval. No system of planning that would relegate farming to a position of inferiority should be tolerated. It would be hard to imagine the industrial east sending soldiers and tax collectors to the agricultural west as is now being done in Russia, and get away with it. Yet there are

many in Canada to-day who say that an exorbitant toll is continually flowing from the prairies to St. James street. The economic structure of Canada is being destroyed at its mainspring notwithstanding what has been said in regard to Russia. So unbalanced and lopsided has it become that the outworn, rickety affair may topple over at any time, with the farmer, incidentally, at the bottom of the heap. And when a basic industry like agriculture fails it is bound to affect adversely all the other industries in Canada.

In my opinion no plan can succeed unless it accepts the principle of equalization of industrial opportunity as the guiding principle, and supplants the present pursuit of economic reward with the ideal of service as a motivating force; and no new social system can succeed unless the various elements are brought into systematic and harmonious working order for the common good. I believe that agriculture is in need of economic planning possibly more than any other industry. As a primary producer and ultimate consumer, the farmer gets hit both ways. Look at the great discrepancy between the price the farmer gets for his products and what he has to pay for other goods and services. Industrial equality and efficiency are thus essential to his best interests; and furthermore all inefficiency or waste that goes on in distribution reacts to his detriment, either as a producer or as a consumer.

I have spoken of cooperation as a third distinct orientation both in and outside of this house. As an essential working principle in helping the farmer to solve his difficulties it manifests itself in three ways—cooperative selling, cooperative buying and cooperative credit. Naturally the farmer must sell somewhat above the costs of production to make farming pay; since the price at which the farmer can afford to sell is determined by production costs, the intelligent buying of the goods and services that make up those costs is the second important problem; and the necessity for getting credit as cheaply as possible to facilitate selling and buying constitutes the third major factor.

The proper relation of prices will need special attention as it is not so much a problem of how much a farmer gets for his wheat as how much he can purchase when he gets it; that is, keeping the purchasing power of the agricultural dollar on a par with the dollar of other industries in order to bring about an equitable basis of exchange.

This, sir, is the problem of the farmer. It will require economic planning and radical monetary changes, and to this end it is desirable that the present system should be superseded by one based on the principle of cooperative production and distribution in which human needs should be the first consideration.

[Mr. Luchkovich.]

On motion of Mr. Morand the debate was adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. GUTHRIE moved the adjournment of the house.

Mr. LAPOINTE: What will be the business to-morrow?

Mr. GUTHRIE: To-morrow will be a government day and we propose to take up supply. We shall take the departments in the following order: Trade and Commerce; Marine; Agriculture and Justice, and if there is any time left, government orders. The first will be the bill respecting the Precious Metals and Marking Act; then the bill to amend the Importation of Intoxicating Liquors Act; and Bill number 4, respecting the Bureau for Translations.

Motion agreed to, and the house adjourned at 10.55 p.m.

Tuesday, February 6, 1934

The house met at three o'clock.

SELECT STANDING COMMITTEES

Hon. E. N. RHODES (Minister of Finance) presented the report of the special committee appointed to prepare and report lists of members who compose the select standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs:

Anderson (Toronto-High Park)	Lapointe
Beaubien	Lawson
Burns	Lennox
Casgrain	Macdonald (Cape Breton South)
Casselman	MacNicol
Duff	Marcil
Elliott	McPhee
Esling	Mercier (St. Henri)
Gagnon	Mitchell
Gray	Morand
Guthrie	Ralston
Hanson (York-Sunbury)	Stinson
Jacobs	Sullivan
Kennedy (Peace River)	Thompson (Simcoe East)
	Turnbull—29.

(Quorum 10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Ahearn
Anderson (Toronto-High Park)
Beaubier
Bell (Hamilton West)
Beynon
Bothwell
Bradette
Bury
Cantley
Casgrain
Casselman
Chevrier
Dorion
Dupré
Edwards
Esling
Fiset, Sir Eugène
Fraser (Cariboo)
Gardiner
Geary
Hackett
Hanbury
Hanson (Skeena)
Harris
Heaps
Heenan
Jones
Kennedy (Peace River)
Lacroix
Laurin
Macdonald (Kings, P.E.I.)
MacMillan (Saskatoon)
Manion
McGibbon
McIntosh
McLure
Mercier (Laurier-Outremont)
Moore (Ontario)
Munn
Nicholson
Pouliot
Price
Rogers
Ross
Ryerson
St-Père
Sanderson
Séguin
Shaver
Simpson (Algoma West)
Smith (Cumberland)
Speakman
Stewart (Edmonton West)
Stitt (Nelson)
Totzke
Turnbull
Urquhart
White (London)
White (Mount Royal)
Young—60.

(Quorum 20)

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Ahearn
Anderson (Halton)
Arsenault
Barber
Barrette
Bell (St. Antoine)
Bowen
Brown
Chaplin
Chevrier
Cowan (Long Lake)
Denis
Deslauriers
Duff
Dumaine
Dupré
Dupuis
Edwards
Ernst
Fournier
Gobeil
Golding
Gott
Hall
Kennedy (Winnipeg South Centre)
Laflèche
Larue
Lawson
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
Maloney
McDade
McGregor
Mercier (Laurier-Outremont)
Mitchell
Moore (Ontario)
Myers
Peck
Pettit
Raymond
Sanderson
Séguin
Spence
Stinson
Sullivan
Tummon
Verville
Wilson—50.

(Quorum 15)

STANDING ORDERS

Messieurs:

Arthurs
Baker
Bell (Hamilton West)
Bell (St. Antoine)
Blair
Bury
Cahan
Deslauriers
Fontaine
Fraser (Northumberland, O.)
Hay
LaVergne
Luchkovich
McKenzie (Assiniboia)
Mercier (St. Henri)
Munn
Plunkett
Rowe
Thompson (Lanark)
Woodsworth—20.

(Quorum 8)

PRINTING

(Members to act on the part of the Commons)

Messieurs:

Anderson (Halton)
Baribeau
Belec
Boulanger
Bourgeois
Brasset
Charters
Desrochers
Dubois
Embury
Esling
Factor
Fortin
Girouard
Gott
Gray
Hay
Heaps
Howden
Lucas
MacLean
Maloney
Marcil
Matthews
McKenzie (Assiniboia)
McLure
Moore (Chateauguay-Huntingdon)
Munn
Murphy
Parent
Peck
Perras
Pickel
Porteous
Price
Quinn
Rhéaume
Rinfret
Roberge
Robinson
Rowe
Ryerson
St-Père
Short
Simpson (Simcoe North)
Spankie
Spencer
Spotton
Taylor
Tétreault
Verville
Wilson
Woodsworth
Wright—54.

PUBLIC ACCOUNTS

Messieurs:

Anderson (Halton)
Arthurs
Beaubien
Beaubier
Bell (Hamilton West)
Bothwell
Bourgeois
Cahan
Coote
Cowan (Port Arthur-Thunder Bay)
Davies
Donnelly
Dubuc
Duff
Dumaine
Duranleau
Edwards
Embury
Fournier
Fraser (Cariboo)
Fraser (Northumberland, Ont.)
Gagnon
Garland (Carleton)
Geary
Girouard
Hanson (York-Sunbury)
Ilsley
Jacobs
Lennox
MacDonald (Cape Breton South)
Mackenzie (Vancouver Centre)
Macphail, Miss
Michaud
Perras
Pouliot
Power
Ralston
Rhodes
Robinson
Ross
Rutherford
Smith (Cumberland)
Smith (Victoria-Carleton)
Smoke
Speakman
Stanley
Stewart (Leeds)
Swanston
Taylor
Willis—50.

(Quorum 15)

BANKING AND COMMERCE

Messieurs:

Arthurs
Baker
Beynon
Bothwell
Bowman
Casgrain
Chaplin
Coote
Donnelly
Dorion
Duff
Ernst
Euler
Fraser (Northumberland, Ont.)
Gagnon
Ganong
Geary
Hackett
Hanson (York-Sunbury)
Harris
Howard
Hurtubise
Irvine
Jacobs
Lapointe
Laurin
Lawson
Mackenzie (Vancouver Centre)
MacMillan (Saskatoon)
McGibbon
McPhee
Mercier (St. Henri)
Michaud
Morand
Perley (Qu'Appelle)
Pettit
Power
Ralston
Raymond
Rhodes
Robinson
Sanderson
Smoke
Spencer
Stanley
Stevens
Sullivan
Vallance
White (Mount Royal)
Willis—50.

(Quorum 15)

AGRICULTURE AND COLONIZATION

Messieurs:

Barber
Bertrand
Blair
Bowman
Bouchard
Boucher
Boulanger
Bowen
Boyes
Brown
Burns
Butcher
Carmichael
Coote
Davies
Donnelly
Dubuc
Dupuis
Fafard
Garland (Bow River)
Gobeil
Golding
Goulet
Hall
Hay
Jones
Loucks
Lucas
McGillis
McKenzie (Assiniboia)
McPhee
Moore (Chateauguay-Huntingdon)
Motherwell
Mullins
Myers
Perley (Qu'Appelle)
Pickel
Porteous
Rowe
Sauvé
Séguin
Senn
Shaver
Simpson
Smith (Simcoe North)
Smith (Victoria-Carleton)
Spotton
Sproule
Stewart (Lethbridge)
Stirling
Sutherland
Swanston
Taylor
Thompson (Lanark)
Totzke
Tummon
Vallance
Weese
Weir (Melfort)
Weir (Macdonald)
Wilson—60.

(Quorum 20)

MARINE AND FISHERIES

Messieurs:

Baribeau
Barrette
Beaubien
Black (Halifax)
Brasset
Cantley
Cardin
Dickie
Duff
Duranleau
Ernst
Ganong
Hanson (Skeena)
Ilsley
Jean
Johnstone
Larue
MacDonald (Cape Breton South)
MacDonald (Kings, P.E.I.)
MacInnis
MacLean
McDade
McLure
Neill
Pouliot
Plunkett
Price
Quinn
Reid
Ross
Short
Speakman
Stitt (Selkirk)
Urquhart
Veniot—35.

(Quorum 10)

MINES, FORESTS AND WATERS

Messieurs:

Beaubien
Belec
Bell (St. John-Albert)
Beynon
Bowman
Bradette
Cotnam
Cowan (Port Arthur-Thunder Bay)
Denis
Desrochers
Dickie
Duguay
Esling
Fraser (Northumberland, O.)
Garland (Bow River)
Gershaw
Gordon
Hurtubise
Ilsley
Johnstone
Kennedy (Peace River)
Macdougall
Mitchell
Mullins
Nicholson
Parent
Plunkett
Roberge
Simpson (Algoma West)
Smith (Cumberland)
Stewart (Edmonton West)
Stewart (Lethbridge)
Stitt (Nelson)
Tétreault
Weir (Macdonald)—35.

(Quorum 10)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Arsenault
Bell (St. Antoine)
Bell (St. John-Albert)
Black (Halifax)
Bourassa
Ferland
Golding
Gordon
Hackett
Heenan
Howard
Jean
Johnstone
Kennedy (Winnipeg South Centre),
Lacroix
Macdougall
MacNicol
Macphail, Miss
Matthews
McGibbon
McIntosh
Morand
Neill
Nicholson
Parent
Perley, Sir George
Reid
St-Père
Stanley
Stitt (Selkirk)
Turnbull
Veniot
White (London)
Woodsworth
Wright—35.

(Quorum 10)

OFFICIAL REPORT OF DEBATES

Messieurs:

Bouchard
Coote
Esling
Laflèche
Macdougall
Marcil
Rinfret
Rogers
Stirling
Sutherland
Wilson
Young—12.

(Quorum 7)

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs:

Barber	Laflèche
Bertrand	Larue
Bourassa	LaVergne
Boyes	MacMillan (Saskatoon)
Butcher	Marcil
Carmichael	McGillis
Charters	McGregor
Chevrier	McIntosh
Cotnam	Peck
Dubois	Perley, Sir George
Dupuis	Pouliot
Factor	Quinn
Ferland	Rhéaume
Fontaine	Short
Fortin	Smoke
Fraser (Cariboo)	Stirling
Gagnon	Thauvette
Girouard	Thompson
Guthrie	(Simcoe East)
Hepburn	Thompson (Lanark)
Irvine	White (London)
Jones	Wright—44.

PARLIAMENTARY RESTAURANT

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs:

Ahearn	Macphail, Miss
Barrette	Mullins
Black (Halifax)	Ryerson
Bourassa	Senn
Carmichael	Spankie
Garland (Carleton)	Spence
Hanbury	Sproule
Howard	Taylor
Howden	Thauvette—20.
Laflèche	

Mr. RHODES moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Hon. E. N. RHODES (Minister of Finance) moved:

That the select standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

BUSINESS OF THE HOUSE

COMMITTEE OF SUPPLY AND WAYS AND MEANS BEFORE ADDRESS AGREED TO

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Before the orders of the day are called I desire to raise a point of order. It is in reference to the construction to be placed upon standing order No. 57 of this house. The order is as follows:

The house shall appoint the committees of supply, and ways and means, at the commencement of every session, so soon as an address has been agreed to in answer to His Excellency's speech.

On Friday evening last the right hon. Prime Minister (Mr. Bennett) gave what he stated was the government's interpretation of the meaning of that order, which was to the effect that the committee of supply and the committee of ways and means must be appointed immediately after the conclusion of the debate on the address, but that there was nothing in the order which precluded the committees being set up before the address had been agreed to. The Prime Minister was careful to say that he would not say that the contention of the government was right, and you, Mr. Speaker, have not as yet been asked to rule on the matter. I am bringing up the matter at this moment, not for the purpose of in any way delaying procedure or of embarrassing the government, but rather to avoid both those possibilities. I have thought it better to raise the question before the government itself makes any formal motion to go into supply.

Last night the hon. Minister of Justice (Mr. Guthrie) who was the acting leader of the house, mentioned that it was the intention of the government to move to go into supply to-day. I have thought it advisable, in order that the matter may be discussed in a wholly dispassionate manner, as a matter of procedure which really concerns members on all sides of the house, and in no sense a party issue to raise the question in the form in which I am raising it at the moment.

It is obvious, from the reading of the rule of this house, that it is copied literatim et verbatim from the rule of the House of Commons at Westminster. There are two words which appear in the order at Westminster that do not appear in our order, the words "in future," but they in no way affect its purpose. The order of the British house is standing order No. 14, it reads as follows:

This house will, in future, appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Majesty's speech.

The interpretation to be placed upon the order by the British house is best given by the leading constitutional authorities on procedure in the commons, and on the law and custom of the constitution. I shall therefore quote from three or four of the most eminent authorities. It will be apparent, once the quotations are given, that there is no longer room for doubt as to what the intention of the order is.

May's Parliamentary Practice at page 520 of the 13th edition, published in 1924, has the following:

> The action taken by the House of Commons upon the demand of aid and supply for the public service made by the speech from the throne, is the appointment, pursuant to standing order No. 14, of those committees of the whole house, which are known as the committee of supply and the committee of ways and means. Motions setting up these committees are made immediately after the house agrees to the address in answer to the speech from the throne, and are put forthwith from the chair, no debate being permitted thereon.

Hon. members will observe that the wording is not that they "may be" or "must be" established but that they "are" established immediately after the house agrees to the address in reply to the speech from the throne.

Anson's Law of the Constitution, volume I, fifth edition, 1922, page 286, states:

> The speech from the throne always contains a demand from the crown for supply, and as soon as the House of Commons has agreed upon an address in reply to the speech, it has for many years passed two resolutions—one that on a certain day it will resolve itself into committee of supply; another that on a certain day it will resolve itself into committee of ways and means.

Here we have a positive statement of the customary method of procedure. I submit it is custom that governs in matters of this kind.

I refer next to Redlich's Procedure of the House of Commons, 1907, volume 3, page 133:

> In response to the speech from the throne the commons, as soon as they have voted the address in reply, appoint the two great committees before which the whole finance of the year has to be discussed—the committee of supply and the committee of ways and means.

That is very specific language; as soon as they have voted the address in reply they appoint the committees. It is, I think, conclusive in its wording and meaning.

One further authority I should like to quote is Campion. In his Introduction to the Procedure of the House of Commons, first edition, 1929, page 235, this writer says:

> The committee of supply is "set up" immediately after the conclusion of the debate on the address in answer to the king's speech by resolution in the following form:
>
> "Resolved, that this house will, to-morrow, resolve itself into a committee to consider of the supply to be granted to His Majesty."
>
> The committee of ways and means is similarly set up at the same time.

The authorities I have quoted Mr. Speaker, are authorities we are continually quoting in this house, and are recognized as eminent authorities. I admit at once there have been occasions in the British house when other matters have been taken up before the debate on the address was concluded, but always where such has been the case they have been in the nature of exceptions; they have been matters of some special significance at the moment, questions which for some special reason required to be dealt with at the time they were, and as to which the results might have been unfortunate had there been delay. What I am afraid of is that in this house we may be changing a custom by the exceptions we are making, that the government is not viewing the proposed course so much as an exception as it is seeking to make what has been an exception in the last session or two a custom which will govern in the future.

This matter is of importance, not only does it affect this house at this session, but the decision that will be given by His Honour the Speaker undoubtedly will be cited with reference to procedure in future years. Undoubtedly the rules are amongst other things for the purpose of protecting the rights of hon. members of the house.

With regard to the interpretation put upon the order by the Prime Minister, I submit that there is no necessity for a rule at all to ensure what the Prime Minister has said is the purpose to be served. The government is all powerful; its rights do not need to be secured by a special rule as to the time within which committees must be appointed. Except where there is a rule to the contrary, it has the power to select its own time. But the minority in the house has in many particulars to be protected in its rights, especially at a time when for obvious reasons the government is finding it more and more necessary to take to itself as much right of way as may be possible for the prosecution of public business. The fact that the government is taking more and more of the time of the house for the government's own program, makes it more necessary for the opposition, regardless of what party may be in opposition, to see that the few rights that remain to hon. members to discuss generally the questions that are of great concern to them are preserved as far as may be possible. The interpretation that is being put upon this rule, especially when considered in relation to what is now being proposed, namely, that before the debate on the address is concluded, the house should resolve itself into a committee of supply to appropriate public moneys, makes the matter one which I think should be settled immediately and that in accordance with what I have shown to be

the prevailing custom in the British House of Commons.

The point I wish to make is this, that even if we admit for a moment that the rule is to be interpreted so as to give the government the right to set up these committees immediately, it does not necessarily follow that because the committees are set up, the house should proceed to go into committee of supply or committee of ways and means before the debate on the address is concluded. Indeed Redlich, whom the Prime Minister cites frequently as an authority, is quite positive in his statement on that point. Volume I, page 41, of Redlich's Procedure of the House of Commons, contains the following:

> It is already a fixed custom that the Queen's speech is to be answered by an address which takes the first place in the deliberations of the house.

That is the point I desire to stress particularly at the moment. I believe it was to ensure that the address would take first place in the deliberations of the house that rule 20 was enacted, and where the rule is followed as interpreted by the authorities I have quoted it is pretty obvious that the debate on the address will take first place in our deliberations.

To show how important it is that the customary practice should be maintained may I direct attention to what would happen in the natural order of things if the opposition were considering a motion of want of confidence in the government on going into supply, and there was no other motion before the house. The opposition might wish to move that the motion to go into supply be amended by striking out all the words after the word "that" in the customary motion and substituting therefor the words "the government does not enjoy the confidence of the house." That might delay indefinitely both supply and the completion of the debate on the address. That would be a very natural motion to make at any time of going into supply. But assume that such an amendment were to be moved this afternoon to a motion that the house resolve itself into committee of supply, what would be our position? Already there is before the house a motion to the effect that the address should be amended by directing the attention of His Excellency to the fact that the government does not enjoy the confidence of the country. It is quite true that that amendment though it refers to the country is similar in meaning to the amendment I have suggested which would refer to the house. Both are in the nature of want of confidence motions. I submit that before the debate on the want of confidence motion now before us is concluded, we should not run the risk of entering upon another debate which would certainly arise out of a want of confidence amendment being moved to any motion by the government to resolve the house into a committee of supply. I think, I have only to cite this possibility to make perfectly clear how obvious it is that rule 20 was intended to ensure the completion of the debate on the address before the house should go on with the discussion of any other question.

Of course there is the further fact that the first few days of the session are supposed to be devoted as well to getting the routine business under way and the machinery of business properly established. It always has been the practice, while the debate on the address was proceeding, to have different committees named, to have bills introduced, and to deal with other matters of routine, but not to proceed in discussion with matters of a substantial character until the debate on the address was concluded. May I ask if it is not something more than an anomally for the Commons to be asked to vote supply to His Majesty so long as there remains before the house as an order of business and of current discussion the question as to whether or not the government enjoys the confidence of the house or of the country?

Having submitted the matter in this form, I hope the Prime Minister will not to-day press his motion for going into supply, when the item is reached upon the orders of the day, but will allow the matter if need be to be further carefully considered between members of all parties in the house, so that the best procedure may be followed and the rights of all hon. members protected not only at this session but for subsequent sessions as well.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, just a word in reply to some of the observations of my right hon. friend the leader of the opposition (Mr. Mackenzie King). In the first place, if he will read the rule which applies to this House of Commons, known as standing order 57, he will find the following:

> The house shall appoint the committee of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

That, I assume, means that there is a limitation in regard to the time in which we shall appoint these committees. We shall not delay appointment of these important committees. The conclusion of the address in reply to His Excellency's speech shall be the

limit of time for the house to appoint these committees. There is no rule of the house, so far as I know, which precludes an earlier appointment of these committees, if the house sees fit to do so. We are all aware that upon the opening day of each session of this House of Commons, for the express purpose of preserving the right of parliament to deal with other subjects prior to our consideration of the address of His Excellency, a formal bill is introduced respecting oaths of office. There is no reason for the introduction of such a bill apart from the single purpose of preserving the right of parliament to deal with such other business as it may see fit before taking into consideration the speech of His Excellency the Governor General.

I submit that any business can be taken up. Conditions may arise which render it very necessary to discuss some emergent condition, but there is no limitation to the right of the house to deal with any subject. Any business which might later come before the House of Commons can be taken up in priority to the speech from the throne if the house so determines. The citation from Redlich cited by the leader of the opposition is merely to the effect that the address in reply to His Excellency's speech shall be the first order of proceedings. At the opening of this session we did constitute it the very first order, and there it remains upon the order paper. In this practice we are following the course which is invariably adopted in England. After the mover and seconder have made their speeches and, as a rule, after the leaders of the various parties have replied, very often there occurs an adjournment of the debate and other business is permitted to intervene.

May, which I have had an opportunity of examining only for a moment sets out at page 173:

> When the royal speech has been read, an address in answer thereto is moved in both houses. Two members in each house are selected by the administration for moving and seconding the address and they appear in their places in levee dress for that purpose. The form of the address used to be an answer, paragraph by paragraph, to the speech. In both lords and commons since the commencement of session 1890-91, the answer to the royal speech has been moved in the form of a single resolution, expressing their thanks to the Sovereign for the most gracious speech addressed to both houses of parliament, and amendments to the address are moved by way of addition thereto. The transaction of public business is carried on whilst the proceedings on the address are in progress, bills being introduced and committees appointed. In session 1884, debate on the address was postponed from day to day, whilst a motion of censure on the government, regarding events in the Soudan, was under consideration, and in session 1922 whilst two bills presented by the government together with the financial resolution necessary for one of them were passed through all their stages.

There is no limitation expressed by May as to the nature of business which may be taken up. It is important for the prompt dispatch of business in this house that the committees in question should be established as early as possible; it is important to facilitate the transaction of business that the estimates be opened on a Tuesday, because we know that under the rules of the house unless the various departments are first discussed on a Tuesday they cannot subsequently be taken up on a Thursday or Friday. So that for the prompt dispatch of business in the house the present motion is very necessary. The motion that the house go into committee of supply on this Tuesday will enable us to discuss supply on Thursday and Friday. Unless there is a positive prohibition in some rule of this house or an established custom in the British House of Commons binding upon this house I submit we are at liberty to take up any item of business which the house may deem proper, pending our subsequent consideration of the speech of His Excellency. Therefore I take it that the point of order is not well taken, and that the house is at liberty to proceed at this time with business as it sees fit.

I do not quite agree with my right hon. friend in the statement he has first made concerning the rules of parliament. He has stated that the rules are for the purpose of protecting the rights of hon. members in the house. That may be one effect of them, but my submission is that the rules are expressly framed to facilitate public business in this chamber, and to achieve this purpose, the rules should not receive a narrow or limited construction. Rule 57, as now framed, is in its effect a mandatory order upon the House of Commons not to delay the setting up of the committees of ways and means and of supply later than the conclusion of the address in reply to the speech from the throne. But there is nothing of a prohibitory nature in this rule. There is no limitation as to what business shall be taken up or what shall not be taken up, and we know that by immemorial usage we are at liberty to take up such business as the house deems proper.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I submit that the motion to go into supply at this stage should not be entertained. Indeed, to move such a motion at the present time is, in my view, treating the house with scant courtesy. I do not agree with my hon. friend the Minister of Justice (Mr. Guthrie) as to the manner in which the debate

on the address should be conducted and has been conducted in this House of Commons and in the British parliament. The debate in question is one of the two important debates of the session. Members of parliament after a long adjournment come from their respective constituencies and have a right to say what public opinion is in their respective sections of the country. They have the right to present to you, Mr. Speaker, and to the house the views on various public questions of the people they represent, and it has always been the custom and practice to let this debate go on before taking up other public matters.

First I shall quote from Bourinot, Fourth edition, page 95 as to the practice in Canada:

It is not usual in the Canadian houses to discuss any important matter of public policy before considering the speech. In 1901, an address was passed to His Majesty King Edward, expressive of the national grief on the demise of Queen Victoria, and of the continued attachment of the dominion to His Majesty's person and government, before the address in answer to the speech was taken up. In 1878, Mr. Barthe introduced a bill in reference to insolvency, but withdrew it in deference to the wishes of the house until the address was adopted. While bills are formally introduced and advanced a stage, the house generally consents to postpone notices of motion until after the disposal of the address. Of course, the public interests may at some time demand that the house should act otherwise, and—as it is undoubtedly its constitutional right—take up immediately a question of public importance and deal with it. It is usual in the British commons to ask questions, move addresses or orders for papers, present petitions and introduce as well as discuss public bills before the address has been adopted. In the session of 1884 "debate on the address was adjourned from day to day while a motion of censure on the government regarding 'events in the Soudan' was under consideration."

But that was an exception, and at the bottom of the page, 96, Bourinot says:

In 1889 Mr. Abbott introduced in the Senate three government bills mentioned in the speech, before the address in answer thereto was considered. Objection was taken to this departure from the ordinary course of procedure. The bills were placed on the order paper for consideration subsequent to the address. In the following session the usual procedure was resumed.

If hon. gentlemen will look at the following pages, 98, and 99, they will see the interpretation that Bourinot gives to rule 57 as to the appointment of the committee of supply. After referring to the adoption of the address he says:

The next proceeding will be to move immediately that the house resolve itself at some future day into committees of supply and of ways and means. It is also usual to move at this stage of the proceedings the appointment of a chairman of committees when such appointment has to be made at the beginning of a new parliament or in the case of a vacancy in such office.

The same thing is done in the British House of Commons. I shall quote briefly from Todd's Parliamentary Government in England, Volume 2, page 366. He says:

Pending the agreement of the house to the address questions may be put to ministers, and addresses passed for the production of papers.

You see how it is limited. It goes on:

But it is usual to defer the presentation of papers asked for and to postpone a formal reply to an ordinary address, until the answer of the crown to this address has been reported.

Last year the right hon. the Prime Minister (Mr. Bennett) said that he did not want to follow the practice in this house but wanted to adopt the British practice. Nobody said a word. I thought that possibly during the last few years a new practice had been introduced in the British House of Commons, but I took the trouble this morning to go to the parliamentary library and look into the debates of the British House of Commons.

In 1928 the address was moved on November 6 and was immediately taken up, debated again on November 7, November 8 and November 9, and then it was adjourned from Friday the 9th to Monday the 12th, when it was again taken up, and again on November 13, again on November 14 and concluded on that day—seven days altogether.

I also found that a number of members varying from ten to fifteen spoke during the debate each day. As hon. gentlemen know, there is no eleven o'clock rule in the British House of Commons, and a considerable number of members speak during those debates.

In 1929 the address started on July 2, was taken up again on July 3, July 4, July 5, adjourned from Friday to Monday, July 8, when it was again taken up, again on July 9 and July 10, when it was concluded.

In 1930 the address was moved and discussed on October 28, taken up again on October 29, October 30, October 31, adjourned from Friday to Monday, November 3, taken up on that day and again on November 4, when it was concluded.

In 1931 the address was moved and discussed on November 10, taken up again on November 11, November 12, November 13, adjourned from Friday to Monday, and concluded on that day.

In 1932 the address was moved on November 22, discussed again on November 23, November 24, November 25, adjourned from Friday to Monday, November 28, and disposed of on that day.

In the present session, 1933, there was an exception for one day. The address was moved and discussed on November 21, and then it was decided that on the following day the house would discuss constitutional reform in India, which was a burning question which the house wanted to discuss immediately, but that occupied only one day and the address was taken up again on November 23, November 24, adjourned from Friday to Monday, November 27, taken up again on that day, and again on November 28, when it was disposed of.

Mr. GUTHRIE: May I ask my hon. friend if on those days he has enumerated in those years there was no intervening business taken up?

Mr. LAPOINTE: Except questions at the beginning of the sitting, as is done here; but there was no discussion of any matter. I have been careful to look into these debates personally.

I believe, Mr. Speaker, that that is the sensible way of proceeding. As to the interpretation of rule 57, of course, I believe that it is clear, and that it means that the committee should not be appointed until the address is disposed of. That is the way I read it, and, Mr. Speaker, it is the way everybody has read it until a couple of days ago. That is the way in which it has been interpreted in past years at all times. Even my right hon. friend himself in the session of 1932, which met on October 6 because of the agreements at the Ottawa conference, introduced a motion to give precedence to government measures in order that those trade agreements should be approved as the first business to be taken by the house, even before the address was adopted. The address was voted on November 7, more than one month after the opening of the house. But did the right hon. gentleman move to appoint a committee of supply before the address was voted? No. The government then interpreted the rule as we interpret it to-day, and it was only on November 7, after the house had voted the address, that the committee of supply was appointed.

Another way of showing what has always been the interpretation is to look at the preceding rule, standing order 56, which says:

> A chairman of committees who shall also be deputy speaker of the house shall be elected at the commencement of every parliament, as soon as an address has been agreed to in answer to His Excellency's speech.

I appeal to every member of this house whether they do not all remember that in the first session of every parliament, when a deputy speaker has to be appointed, whether the house did not wait until the address was voted and agreed to before the appointment was made.

The best way to interpret this rule surely is to show what were the intentions of those who drafted it. The rule has been accepted and interpreted by all those who have acted upon it since it existed. Apart from that, what is the position to-day? My right hon. leader (Mr. Mackenzie King) has alluded to it. There is a motion of want of confidence in the government and shall we go into committee of supply and vote money to a government that is actually defending its right to exist?

Mr. SPOTTON: Oh, oh.

Mr. LAPOINTE: I have no doubt of the way in which the hon. member for North Huron (Mr. Spotton) will vote upon this matter but he will not represent the views of the majority of his electors, and he knows it.

Whatever it may be, there is a motion before the chair of want of confidence in the government. The house should not be asked to vote supply at the present time. As my right hon. leader has said, we all have rights in this house. For the time being the Prime Minister is first but we all represent the people of Canada. We have constituents to speak for in this house, we have rights and privileges and I believe that the wishes of the house and even the convenience of the members should be considered by the Prime Minister in this matter.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, if it were not for the somewhat rhetorical observations which the hon. gentleman who has just taken his place (Mr. Lapointe) made at the close of his remarks, it would perhaps not be necessary to rise at all. The rules of this house are made by the house and no one else. They are prepared by a committee of the house and submitted to the house for its approval. Therefore, they are not the rules of a government or an opposition, they are the rules that the members comprising parliament have thought desirable to enact. For what purpose? For the purpose of governing their proceedings; not for minorities or majorities, but for the orderly conduct of the business of the House of Commons. That is what the rules are for. It must be remembered that the rules of this house are not identical with the rules of the British House of Commons. They differ in many particulars. I shall point out presently one particular in which they differ and which has brought about the present discussion.

It will be recalled that at the first session at which this government assumed office we were desirous of expediting the business of the House of Commons. I suggested to the leader of the opposition that we should proceed with the address on Friday but he thought it undesirable that we should depart from the practice or custom. Therefore, we waited until Monday when the mover and seconder of the address made their speeches. In Great Britain this is not the rule. I shall take last year as an example. The British House of Commons was opened on November 21, 1933, as reported in the fifth series, volume 283. The house met at twelve of the clock, Mr. Speaker in the chair. The sessional orders were then debated, some questions were asked with respect to certain matters, written answers were given and then the King's speech was proceeded with, as reported on page seven. The Speaker indicated that a copy of the speech had been obtained and the debate on the address proceeded. The King had delivered his speech that day. Mr. Cross moved the motion that afternoon and concluded his speech, as did the seconder of the motion. Sir Herbert Samuel and the leader of the government, Mr. Ramsay MacDonald, concluded their speeches and the debate was continued into the evening. The motion to adjourn the debate was made by Mr. Edwards, and it was agreed that the debate should be adjourned until the morrow. Then followed the motion, "that this house do now adjourn," and the house was adjourned at twenty-one minutes before eight o'clock on the day upon which the King had delivered his speech. We do not do business here quite so expeditiously. The leaders of the parties and the mover and seconder of the address do not dispose of their speeches by twenty-one minutes before eight o'clock of the day upon which the speech from the throne is delivered. But on succeeding days the question as to when the debate shall be resumed is determined in one of two ways. If no motion is made that it shall have precedence, it takes its place upon the order paper under the appropriate heading.

In days gone by it has been the custom in this chamber to give precedence to this debate. The right hon. gentleman when in power used to move a motion, as will be seen in the journals of the house, that the debate do have precedence and thereupon it had precedence over all other business and was proceeded with until it was ended. I intimated last year—this is where my friend the former Minister of Justice (Mr. Lapointe) apparently has misunderstood—that it would take its place upon the order paper under the appropriate heading. This was done last year, the year before and in 1930. It was also done this year when the leader of the opposition asked me whether or not I was going to ask this chamber, which has control of its own proceedings, to give precedence to the debate or leave it to take its place upon the order paper. I told him I proposed to leave it to take its place upon the order paper in accordance with the rules of the house. In other words, I declined to depart from the rules and to-day the address in reply to the speech from the throne occupies a place upon the order paper which is its appropriate place according to the rules. The right hon. gentleman was quite right in asking me whether I proposed to ask the house to change the rules, but I said no, that I proposed to leave the rules to their operation, just as they do in England. Every day this house has been in session, if other business had been disposed of it could have taken up the debate on the speech from the throne when it was reached under its appropriate heading.

I did not change the order of business. Why should we? What are rules for? Why does the right hon. gentleman want us to change the rules? Why does the former Minister of Justice ask that this house should change its rules? We have left the rules as they are and have declined to alter them and give precedence to this debate. The hon. gentlemen who formulated these rules did not so provide and only this House of Commons by motion made can change the rules covering the hearing of this debate. If it so desires, this house can say that this debate shall have precedence over all other business and if it has precedence over all other business, it has precedence over this business because this chamber, like any deliberative assembly, has said that we shall now go on with this business first and take something else second. But there is an absence of any such motion. I presented no such motion; I said: We do not intend to do so. That being so, it just goes on in the even tenor of its way as it does in England, taking its place under the appropriate heading and being called when other matters have been disposed of. The business of the house proceeds in the orderly fashion which parliament has fixed.

I ask this chamber and I ask every hon. member of it who wants to be fair: Why all this discussion when we have done nothing but cling to the rules which were made? The complaint is that we have not departed from them and that I have not moved to give this matter precedence. But I followed the English custom. I have in my hand the opening Hansards for the last four years. When the

former Minister of Justice said that this debate had taken precedence he surely could not have read these as carefully as he usually does. The fact is that this debate did not take precedence. It took its place under the appropriate heading.

Now, all you have to do is to turn to the records of the British House of Commons for November 23, 1932, which was the day after the house had opened. The house met at a quarter to three in the afternoon, Mr. Speaker in the chair, and we find this order of business: Private legislation; Procedure (Scotland) Act of 1899, Sir George Collins; Expiring Laws Continuance Bill, one of the most important bills, moved by Mr. Hore-Belisha, one of the Under-Secretaries, Bill No. 1; Mr. Speaker ordered that the ballot should take place in Room No. 10; business of the house; amendments on going into committee of supply.

There is a motion passed before the debate was considered, that no notices of amendments on going into committee of supply be given until the first Thursday after the adjournment of the House of Commons.

Then we find: The Prime Minister, London Passenger Transport Bill, perhaps the most important of all public bills that have to be considered; ordered, that the proceedings of the London Passenger Transport Bill be resumed—Bill No. 2, fixed for Monday next.

Mr. LAPOINTE: Hear, hear. All these important bills are on the same page.

Mr. BENNETT: The hon. gentleman must not think that he can escape his own challenge in that way. He has demanded that we follow the English custom. That custom we are following, and now he says that these bills are all on one page. Just imagine such an argument—that certain business is all indicated on one page. Then the debate was resumed, Mr. Churchill continuing the discussion.

Then we come to the next day, the 24th. What happened on the 24th? We find: Questions, just as we have them here, the proper order of business; the debate stood where it was. Then we find mentioned the Lord Mayor's procession: Prisoner's Release; Tote Clubs. Then the Chancellor of the Exchequer answered some questions, and we find further enumerated the Education of Injured Scholars, then a long number of oral and written questions, and then we come to the London Passenger Transport Bill and questions with respect thereto; written answers taking several pages; and just as the other day, under the appropriate heading following questions, came the debate, under the order of business for that day in the British house followed the debate on the address—that is, the 24th.

Turn next to the 25th and you find on that day, at page 364 of the official report for November 25, 1932, bills presented: Dog Racing; Local Option Bill; Hours of Employment (Limitation) Bill; Parliament Act Amendment Bill, one of the most important measures; Workmen's Compensation Bill; Imported Foodstuffs (Marking) Bill; Home and Empire Settlement Bill; Summary Jurisdiction (Appeals) Bill; Municipal Corporations Audit Bill; Shops Acts Amendment Bill; Solicitors (Scotland) Bill; Hotels and Restaurants Bill; Seditious and Blasphemous Teaching of Children Bill; Local Elections (Proportional Representation) Bill; Exportation of Horses Bill; Trout (Scotland) Bill; Miners (Pensions) Bill; False Oaths (Scotland) Bill; Wheat Act (1932) Amendment Bill; Coal Mines (Minimum Wage) Act (1912) Amendment Bill; Slaughter of Animals Bill. Then followed, as here, under the appropriate order, questions for the day, and then was resumed the address, an amendment being proposed by Mr. Atlee with respect to the economic situation.

Then followed, on the 28th day of November, the house having adjourned over the weekend, something which I desire to point out as being of very considerable importance. Questions were on the order paper—Private Business, Oral Answers to Questions. Then followed certain questions oral and written, and then the King's speech and the resumption of the address with respect thereto. That is that year. But I will point out in one moment that in another year something far more important took place. Mr. Baldwin, as Lord President of the Privy Council, moved a motion which involved a very serious debate in which a division was taken resulting in the government being sustained in the views it put forth. I think it important to turn that up in order that the house may have the record complete, and to show that what we have done has been to follow the course exactly as laid down in the British House of Commons.

You will find, for example, in 1931, certain bills introduced, including as a matter of fact the Westminster Act—introduced by the Secretary of State for the Dominions while the debate was pending. Under bills presented we find the Educational Endowments (Scotland) Bill, and then questions with regard to the Royal Navy (Discharges), National Savings Certificates, and matters of that character.

Mr. NEILL: Is there any record, amongst those to which the Prime Minister has been referring, of the British house going into supply before the adoption of the address?

Mr. BENNETT: Perhaps the hon. gentleman will wait until I have reached that. I want to demolish one thing at a time; I have now demolished entirely the arguments of hon. gentlemen opposite, but I desire to point out one other matter, namely, a motion made by Mr. Baldwin prior to the house continuing the debate; I wish to show the division that took place with respect thereto before the debate was continued. At page 105 of the debates for 1931 we find, while the debate was still pending, that Bill No. 5, the Indian Pay (Temporary Abatements) Bill was introduced on that day before the debate was continued; and under private business we find a bill with respect to Edinburgh Corporation; the Kilmarnock Gas Provisional Order Bill, which was disposed of, and afterwards Mr. Baldwin, Lord President of the Council, rose in his place and moved:

That until the adjournment of the house for Christmas, government business do have precedence at every sitting, that no bills other than government bills be introduced, and that no ballot be taken for determining the precedence of such bills.

That brought about a discussion in which Mr. Lansbury stated his view; Mr. Tinker spoke; Lieutenant-Colonel Moore, Mr. Maxton, and others. The house divided, the ayes being 378 and the noes 9. At page 118 we find a further motion was made by Mr. Baldwin:

That no notice of amendment on going into committee of supply be given until after the adjournment of the house for Christmas.

That was carried without division. We find on page 119 that the debate was resumed, Mr. Gwilym Lloyd George having made certain proposals with respect to it.

Now that proves conclusively that we are following the course that has been followed in the British House of Commons, namely, taking up the debate in reply to the speech from the throne when it has been reached under its appropriate heading, not before and not after; because we have declined to make a motion to give it precedence over every other business. In other words, it takes its place on the order paper. That disposes of that point.

We now come to the second point, with respect to the setting up of the committee of supply. I said to the right hon. gentleman the other evening that as no objection had been taken to setting up the committee of supply and the committee of ways and means the Minister of Finance moved that these two committees be set up. No objection was taken by any member of this house to that being done. The right hon. gentleman the other evening said that possibly the opposition had overlooked doing so. I told him that we had considered the matter before making the motion. I at once admitted that it is open to argument as to whether or not that committee could be set up before we had passed the address. I shall come presently to the reasons why in this house I think it should be done. I said a moment ago that there is a distinction between the rules in the British house and those in our own in some minor particulars; the broad principle being, of course, that this house makes its own rules having regard to its own peculiar conditions. It will be within the memory of members of this house that Wednesday is a private members' day, it is a short day; Monday is a private members' day, a long day; Thursday is a private members' day for the first month. We have a rule, recently adopted, that when the house goes into supply on Thursday and Friday no motion is made; without motion the Speaker leaves the chair automatically on supply being called at the table. But there is one thing to be remembered; that cannot happen until such time as there has been opportunity for the house to discuss the broad question involved in the Speaker leaving the chair in order that consideration might be given to the items of any particular department. In other words when the Speaker automatically leaves the chair on supply being called on Thursday or Friday the house in committee cannot consider the items of any department that have not been previously considered, so that opportunity may be given for a motion of censure, if desired, against the minister and his administration of that department. Now as Thursday for the first month is a private members' day it follows that when private members' business is disposed of the Speaker leaves the chair on supply being called. But as it can only be with respect to departments that have not previously had items not passed, but considered, it follows that there must have been opportunity on motion made for the house to go into committee of supply to enable supply to be discussed.

The only day remaining for the first month is Tuesday. That is the reason for this motion, that is the distinction between the British rules and ours. In this house Tuesday is the only day remaining for the first month, if the business of the house is proceeded with as usual; that is, if private members take up all the sittings on Monday and on Wed-

nesday, on Friday the Speaker can only leave the chair if there has been an antecedent discussion in committee of the items in supply that have to be dealt with by the committee. Unless on Tuesday the motion is made for the Speaker to leave the chair, while the house can go into supply on Friday, it cannot discuss any item because there has been no motion to have him leave the chair. There is no such rule as that in England. This is to meet this country's convenience, the purpose for which all rules are made. But I said to the right hon. gentleman and to this house, we do not ask this committee to pass a single item of supply, we only ask one thing, namely that there should be a formal going into committee of supply in order that an item may be called, as I said, in Finance, in Justice, or in Public Works; not passing them, but considering them, however trifling may be the item, in order that when Thursday and Friday come this house can go on with its business of supply with respect to the various items of the departments I have named that have to be dealt with. Is business to be expedited by the rules or retarded? Are the rules for the house or is the house for the rules? Were the rules made by the house or was the house by the rules? The rules were made by this chamber; and the rule making Tuesday the only day during the first month in which this matter can be dealt with is the reason for dealing with it as we have.

I will not repeat the argument that has been made by the Minister of Justice (Mr. Guthrie) as to the construction to be placed upon the rule. I said frankly the other night that that rule is open to the construction urged by the right hon. gentleman. I put upon it the construction that we did the other evening for the reason that, read with the other rule—and you must read all rules together to make sense out of them, that is the elementary rule of construction—as the first month of the sittings of this house is given up on Thursdays to private members, if the business of private members is exhausted on that day then we must have taken an antecedent step on Tuesday to deal with that situation.

That, Mr. Speaker, is the explanation of this whole matter. This government is in the hands of the house always with respect to the conduct of its business. Always. When we move adjournments, when we move that a certain step be taken to expedite the business, unanimity must be secured in order that business may be transacted. In this instance, reading those two rules together, the setting up of the committee of supply and the committee of ways and means is a matter of which this house has supreme and complete control, and if there were any necessity for relying upon the fact that unanimous action was taken, the validity of the action cannot be challenged. It may well be that had the right hon. gentleman interposed and said, I object to that being done because this rule does not contemplate it, this argument could have been made then rather than now. But now clearly this house is estopped from asserting, and cannot now assert, that the rules have been contravened, for what it did it did with unanimity and the unanimous consent of this house is all that is required to abrogate any rule, to set up a new rule, to do any class of business we think best for the public good and to expedite the transaction of that business. In the closing days of the session, by unanimous consent we do practically everything.

The other question that is raised, whether or not we should pass supply before the governor's speech has been approved by this house, is of course another matter altogether. I am not one who does not realize the force of the argument that has been made against the passing of supply until such time as the speech has been adopted. But on the other hand we must read the rules together for the purpose of enabling business to be transacted. It would just mean that unless on Thursday and Friday we have the business of the house in such a position that the Speaker may leave the chair, and that means antecedent discussion here on the tabling of some items although they are not passed, then that use of the rules would be to prevent business being properly discharged. I submit to the house that that was was not the intention of the rule; that you must read that rule that permits the Speaker to leave the chair without motion put on these two days as a rule to expedite business. But if it comes on during the first month it retards it, unless we take the step we have taken. The only way in which it can be dealt with during the first month is to make a motion on a Tuesday, apparently. That is the position.

If this chamber thinks for a moment that there has been any effort on the part of the government to take rights from members, to deprive them of their privilege, I can assure them that such is not the case. It is so easy to make statements of that kind. I recall in this chamber that as a matter of convenience we have had the Speaker leave the chair on a Thursday or Friday, reserving the right to do so. The question of how we transact busi-

ness is a matter of how we can best serve the purpose for which we are here, namely expeditiously getting through the business we have to do. Need I say that I vigorously deny the suggestion that anyone is endeavouring to push the business of the house more rapidly than it should be done. I think on reflection the right hon. gentleman will agree with me when I say that is an unwarranted observation.

Mr. MACKENZIE KING: I did not make an observation of that kind.

Mr. BENNETT: The right hon. gentleman said we were trying to hurry the business.

Mr. MACKENZIE KING: No, I was very careful to avoid saying anything of the kind.

Mr. BENNETT: Then it was his colleague who said it.

Mr. LAPOINTE: Not exactly like that, but pretty nearly.

Mr. BENNETT: I offer the right hon. gentleman my apologies for having credited him with the authorship of the observation that was made by his colleague, the former Minister of Justice (Mr. Lapointe) but I believe that on second thought he will conclude that this must be wrong. There is no desire to do anything but give this house an opportunity to transact the business of the country, and the government is responsible for that. Reading these rules as they are with respect to supply and the conduct of business during the first month of the session I ask how we can transact business except by taking the steps we have taken. I may say that the other day I expected that hon. gentlemen opposite might have some observations to make, but when no hon. member of this house raised his voice against the setting up of the committees on supply and ways and means, I thought by that unanimity of opinion they desired to make certain that the business of the house should be transacted without unnecessary delay.

Mr. MACKENZIE KING: May I ask the Prime Minister if it was not for His Honour the Speaker to raise the question? His Honour is the custodian of the rules of the house.

Mr. BENNETT: No. If a question arises that indicates lack of unanimity then the Speaker must act, but frequently the rules of the house are set aside by unanimous consent. In the closing hours of every session we would not get through in a week the business we finish in a day or two if it were not that we unanimously agree to the suspension of the rules. The Speaker of the house is the custodian of the rules of the house only to the extent to which the house shows, by lack of unanimity, that it desires him to apply the rules. If this house unanimously resolved this afternoon, on a motion made by any member, that we should adjourn until next Monday, on the adoption of that motion the Speaker would be bound to adjourn the house. He is the presiding officer; it is his duty to apply the rules which we ourselves have formed for the transaction of our business and our conduct in regard to that business.

I again assure the right hon. gentleman and every hon. member of this house that the endeavour to go into supply this afternoon—not to pass an item of supply—in my judgment is not a contravention of the rules, but rather is an application of the rules to the peculiar conditions that arise in this house by reason of the distribution of business, which make it essential that we go into and out of supply, not to pass items but to have it said that we have considered them, in order that the Speaker may leave the chair on Thursdays and Fridays in accordance with the provisions of the rule. There is no case to which my attention has been directed in which the house in Great Britain has gone into supply before the adoption of the speech from the throne. I tell my hon. friend from Comox-Alberni (Mr. Neill) that there may be such cases, but I am not aware of them at the moment. In any case that would not have any effect upon the rules of this house, which have been established for the orderly conduct of its affairs in order to expedite the conduct of public business.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I have had the opportunity of seeing these rules changed many times. In the old days one of the greatest grievances in this house was that on the orders of the day some members would arise and begin a discussion that would last during the entire sitting. We changed the rules to oblige the man who wanted to bring up something that was not on the order paper; he could give notice thereof to the Speaker, and upon securing the consent of the house he could break away from the order paper to bring up the particular matter he wanted to discuss.

Further changes in regard to going into supply were made by Sir Robert Borden during the war, because then it was necessary to go into supply very often during the week to vote money. For that reason the rule was adopted that any item called on Tuesday

could be gone on with on Thursday and Friday, when the Speaker would leave the chair without the question being put. I believe there is a great deal of support for that contention, which I think is generally approved of now by everyone in the house.

With regard to the right of the government to call the business in the order they wish, of course they have that power, always subject to the rules of the house. I have great respect for the rules of the British House of Commons, but the rules of this house prevail before those of the British house can be invoked. I remember a very knotty question that was brought up by the then young member for Portage la Prairie, now Right Hon. Arthur Meighen. He raised the point that Sir Wilfrid Laurier, having been elected for two seats, had to take the option within thirty days of sitting for one seat or the other, and he invoked the first of our rules which states that in all unprovided cases the rules in England must apply. That question was hurled at me without notice, and I called upon Hon. Mr. Aylesworth, then Minister of Justice, to come to my assistance. After some research we found that this was a sessional rule in England, and the question to be determined was whether or not on July 1, 1867, the first day of the existence of the dominion, the British House of Commons was in session. It so happened that it was not in session on that date, and therefore the rule of the British house did not apply here. That, of course, enabled me to declare that the point of order raised by the then member for Portage la Prairie was not well taken. I remember that at the same time Sir Wilfrid Laurier remarked that evidently Mr. Meighen was a painstaking member with a future in the house.

As I have said, and as the house knows, the government has the right to call up business as it chooses, always according to the rules of the house. Time and again the rules are suspended; you can do that the moment you have unanimous consent, but in this connection I would direct the attention of the right hon. the Prime Minister to the fact that grievance before supply is the cardinal principle of our British constitution. The right of this government to carry on business has been challenged by a motion presented by the right hon. leader of the opposition as well as by a motion presented by the third party in this house. Before going into supply I believe the principle of grievance before supply should apply; the government should show the house and the country that it possesses the confidence of the house, and the only way to do this is to proceed with the address and have these amendments voted down. The Prime Minister says that calling an item on Tuesday, even if it is not passed, does not mean that we are breaking away from the custom or doing away with the practice, but what does it mean? It means that if we call an item on Tuesday Your Honour will leave the chair automatically on Thursday and Friday, and then we might go on and vote millions, though the authority of the government has been challenged by two motions that are now before the house.

Taking all the circumstances into consideration, Mr. Speaker, I think the Prime Minister, who is a great admirer of the British constitution and who gave us some very interesting information to-day, should have these motions disposed of before we take up supply at all.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to make a few observations on the point of order raised by my right hon. leader. I think it is very regrettable indeed that the discussion on this point of order has wandered so far afield from the actual point at issue. The greater part of the remarks of the right hon. Prime Minister were directed to standing order 28 rather than to standing order 57. I agree with the right hon. gentleman that a few nights ago the question of the construction of standing order 28 came up in regard to the proper procedure in this house on Thursdays and Fridays, and I want to remind the right hon. gentleman, when he speaks of expediting the business of this house, that through its leader this party assured him the other day that if the debate on the address were disposed of the way it should be, according to the constitutional authorities, then we would meet his wishes and would not raise these technical objections in regard to going into supply on Thursdays and Fridays. So that the whole argument carefully built up by the Prime Minister (Mr. Bennett) in regard to expediting the public business of the country is disposed of, and the suggestions made from these benches have been disregarded. What is the point of order? The point of order centres around one standing order, and one only. I refer to standing order 57 of the House of Commons. The hon. member who has just preceded me properly mentioned that British rules do not apply in this House of Commons where our own specific rules do apply. Therefore I suggest with all respect that we have in regard to rule 57 a Canadian interpretation. There is an interpretation by Bourinot, and so far as

I am concerned we do not have to go beyond the language of Bourinot to construe and interpret the significance of standing order 57. If Bourinot did not so express himself in the quotation read by the hon. member for Quebec East (Mr. Lapointe) then Redlich and other constituted authorities would prevail.

There are two questions at issue in this instance; one is in regard to the proper procedure in connection with the disposal of the address in reply, and the second question is —and by the way, it has not been answered —can this House of Commons go into committee of supply before we have disposed of the address in reply to the speech from the throne? In regard to the first question I submit that there is a conflict of authority between the British and Canadian practice. Although all the authorities and all the practice in the British House of Commons have been against the statements made by the right hon. Prime Minister—

Mr. BENNETT: What does the hon. gentleman mean by that? I read from the records.

Mr. MACKENZIE (Vancouver): I will come to that.

Mr. BENNETT: There was a third reading of a bill only the other day.

Mr. MACKENZIE (Vancouver): With one exception, every single instance adduced by the right hon. Prime Minister in regard to procedure in the British House of Commons dealt with routine proceedings. In this house we have been accustomed to make similar exceptions in these motions which we have moved year after year to give precedence to the discussion on the address in reply to the speech from the throne. There again the right hon. gentleman's argument falls completely. Can anybody in this House of Commons give a single instance in Canadian history or British history where any House of Commons has gone into committee of supply before disposing of the address in reply to the speech from the throne? I say there is no such instance in Canadian or British history. That is the only question involved in the point of order raised by my right hon. friend, the leader of the opposition.

This afternoon we are facing this question: Are we going to defy the interpretation which Bourinot has placed upon standing order 57? We find "after the address is disposed of the next proceeding will be"—and I call hon. members' attention to the words "the next proceeding." It does not say "during the process of the debate" but uses the words "the next proceeding." It states "the next proceeding will be to move"—and that is immediately after the address is disposed of, "that the house resolve itself at some future day into committees of supply and ways and means."

We have before us a vote of no confidence in the general conduct of this administration. I remember last year that the Prime Minister —and he will correct me if I am wrong—took very high ground, and I think quite properly, when hon. members on this side of the house moved a vote of want of confidence in the administration. He said, "No other single piece of business on the order paper will be touched until this vote of confidence in my government is disposed of in this House of Commons." But to-day he takes the very opposite view. To-day he is juggling the vote of want of confidence all over the order paper so that those hon. members who wish to speak on it in an effort to voice the views of their constituents do not know what period of the day or night they may be called upon to voice the grievances of their constituents.

Mr. BENNETT: May I ask the hon. member a question before he leaves that point? I suppose he is aware that when the edition of Bourinot to which he is referring was written there was no provision about the Speaker leaving the chair without motion on Thursdays and Fridays.

Mr. MACKENZIE (Vancouver): The suggestion made by my right hon. friend has no bearing upon my argument. If my right hon. friend feels the rule is wrong and that it holds up the public business of the government, then let him amend the rule. This House of Commons can amend it. Through its committee it can amend the rules of the house. But I suggest to the house and the Prime Minister that the rules in this little book have been interpreted by the greatest authority on parliamentary procedure this country ever had, by Bourinot himself, and inasmuch as the government is bound by the rule so are both oppositions bound by it and, with great deference I suggest Your Honour is bound by it. Even if this House of Commons, last Friday, through lack of observance of the rules, failed to take the opportunity to exert its undoubted privileges with respect to this rule, I suggest that any time after that error is committed it is not only the right but it is the duty of hon. gentlemen in this House of Commons to call Your Honour's attention to such neglect. I will tell the

Prime Minister that we are prepared to co-operate with him in the dispatch of public business. We say that the proper procedure is to dispose immediately of the address in reply to the speech from the throne. Once that is done—and in this I am sure I am speaking for the right hon. leader of the opposition—we will not raise unnecessary technicalities in regard to Tuesdays, Thursdays, Fridays or any other days.

Mr. SPEAKER: The point of order has been raised as to the meaning of standing order 57, it reads:

> The house shall appoint the committees of supply, and ways and means, at the commencement of every session, so soon as an address has been agreed to in answer to His Excellency's speech.

Standing order 57 does not prevent the house appointing committees of supply and ways and means before the address in answer to His Excellency's address has been agreed to. As to whether such committees shall so be set up is a matter to be decided by the house, and not by the Speaker.

On February 20, 1930, it was resolved by this House of Commons:

> That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Monday next, and that this order have precedence over all business except the introduction of bills until disposed of.

At the fall session of 1930 no similar resolution was adopted. At the sessions of 1931, 1932 and 1933 consideration of the address was not given precedence. It was interrupted, and without objection other business was proceeded with by the house. On January 26, 1934, this session the house adopted the following resolution, on motion of Mr. Rhodes:

> That this house will on Monday next resolve itself into a committee to consider of a supply to be granted to His Majesty.

There was a further resolution on motion by Mr. Rhodes as follows:

> That this house will on Monday next resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

On motion of Mr. Rhodes the message of His Excellency the Governor General, together with the estimates presented were referred to committee of supply. In the present session the house has proceeded in the same manner as it has in the past three sessions. Whether that procedure shall continue is a matter entirely for the house to say.

Mr. MACKENZIE KING: May I direct Your Honour's attention to the fact that there still remains the question as to whether or not this house should proceed in committee of supply while the address of His Excellency is still not disposed of, and particularly when a motion of want of confidence in the administration is before the house.

Mr. SPEAKER: That, I take it, is a matter of policy entirely for the government and the house. It is not one for the Speaker to decide.

Mr. BENNETT: It is quite apparent the committee has been set up unanimously. It would always be in order to move that the Speaker leave the chair.

Mr. MACKENZIE KING: I believe the Prime Minister and myself are anxious, so far as possible, to agree on matters of procedure and I hope that both of us desire to maintain what we believe to be the traditions and practices not only of this House of Commons but of the parliament at Westminster upon which our rules are based.

Mr. BENNETT: There is no such ruling in Westminster as this one.

Mr. MACKENZIE KING: My right hon. friend has intimated that he himself is not aware of any instance wherein the British House of Commons has proceeded with supply before the address in reply has been disposed of. I hope he will not press the motion to go into supply to-day and thereby create a new precedent in this House of Commons which I believe he would regret later on. If I may make the way clear, may I say to him now that, so far as the opposition are concerned, if we are through with the address and on Friday my hon. friend wishes an agreement on the part of the opposition to proceed with supply, we shall be prepared to meet him. There is no desire to embarrass the government in the dispatch of business. Our sole object in raising this question has been to maintain what we believe to be the best traditions and practices of the house.

Mr. BENNETT: Mr. Speaker, I think the attitude of the right hon. gentleman is to be commended, but he has overlooked one thing and that is this, that there is no rule in Westminster similar to our rule about Thursday and Friday and as to Thursday being set aside for a special purpose during the first month. I say frankly, as I said to my colleague to my left, the real position is that the rules certainly conflict, and there is no way in which they can be brought into a proper logical scheme unless they are amended. I perfectly appreciate the point which has been made and I understand it, but on the other hand, with this special rule in the

Canadian parliament about Thursday and Friday, and Thursday being a day set aside for the first month for a special purpose, it makes a situation that I cannot see how you can get over except in the way that I have indicated.

While I appreciate what the right hon. gentleman has said as to the dispatch of business, he realizes better than most members of the house, from his past experience, that any one member of the house not associated with him in the conduct of the opposition could raise an objection that would be fatal to that action on Friday. That is the real difficulty, and it was to overcome that difficulty that I made the suggestion that the Speaker should leave the chair.

So far as making a precedent is concerned, it is not making a precedent; it is conforming the practice of the house to the rules laid down about Thursday and Friday and as to Thursday being private members' day for the first month. There is a conflict which I see no way of keeping out of except in the manner I have suggested, and still do public business. I am perfectly willing that there should be a conference as to how the difficulty can be properly overcome, and in order that there might be no difficulty I suggested that the Speaker leave the chair. It is only a matter of five minutes to consider an item, and then we would go on with the next order of business. I only desire to have the business of the house done in the proper way.

Mr. LAPOINTE: If I may say a word, I fail to see what difference it makes that they have not in the British House of Commons our rule about going into supply on Thursday and Friday.

Mr. BENNETT: And as to Thursday being private members' day for the first month.

Mr. LAPOINTE: It makes no difference because they do not take supply until the address is disposed of, either on Thursday or Friday, and we never did it either in this House of Commons. Why mention that rule as creating such a great difference as between the two houses? I feel that we should not take supply until there is a vote on the want of confidence motion. Until the address is disposed of I do not see how we can vote for a motion to go into supply.

Mr. BENNETT: I certainly was not aware except in a general sort of way that this matter was going to be discussed to-day. The question now raised as to whether or not we are following the proper course is so clear that it does not admit of argument. We are following the same course as they follow in Westminster, but in view of what has been said I am perfectly content, without in any sense abating from the views I hold and which I am ready to discuss further if necessary, that we take up order No. 3 for the second reading of Bill No. 2 instead of order No. 1.

PENSION ACT AMENDMENTS

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I would ask the Minister of Pensions and National Health (Mr. MacLaren) if it is the intention of the government at this session to introduce any amendment or amendments to the Pension Act?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): The question is under consideration at the present time.

SILVER AGREEMENT

On the orders of the day:

Mr. THOMAS REID (New Westminster): May I ask the Minister of Finance (Mr. Rhodes) if it is the intention of the government to introduce at this session legislation implementing the agreement regarding silver which was signed on behalf of Canada at the world economic conference, and if so, when we may expect legislation ratifying the agreement?

Hon. EDGAR N. RHODES (Minister of Finance): Mr. Speaker, in answer to my hon. friend from New Westminster I may say that it is the intention of the government to ask the house to implement the agreement entered into at the world economic conference, but it does not of necessity follow that there should be specific legislation dealing with that matter alone. It may be that we may deal with it in connection with the banking legislation that is to be brought down.

FRENCH TRANSLATION

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Temiscouata): May I ask if the government is aware that the French version of the speech from the throne published on January 25, 1934, in an extra of the Canada Gazette, in the Hansard of both houses of parliament and the French dailies, is stuffed with gram-

matical errors, translation mistakes, nonsense, misconstructions, wrong interpretations, inaccuracies and blunders of all kinds, totalizing three score and over?

Mr. SPEAKER: The hon. member had better put his question on the order paper.

PRECIOUS METALS MARKING ACT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved the second reading of Bill No. 2, to amend the Precious Metals Marking Act, 1928.

Mr. MACKENZIE KING: I understand that the minister already explained that this is merely a consolidation and revision of the existing act, and that he will explain the details in committee.

Mr. STEVENS: Yes.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

On section 1—Definitions.

Mr. MACKENZIE KING: What are the changes here?

Mr. STEVENS: There is a very slight change. The words "importer of" have been added, and the words "who traffics in" have been substituted for the word "dealer". It is in order to clarify. This was asked for unanimously by dealers in this class of goods.

Mr. MACKENZIE KING: Jewellers, are they?

Mr. STEVENS: Yes.

Section agreed to.

On section 2—Mount.

Mr. MACKENZIE KING: What is the explanation of this section?

Mr. STEVENS: On certain silver or silver plated ware and gold and gold plated ware, there are sometimes what are called mounts, that is, a design or some other decoration which is superimposed. These mounts have never been properly defined under the act and this new section clarifies this matter and provides for the application of the terms of the act to the things mounted upon the plate itself. In other words, it is making the regulations apply to the parts mounted upon the plate the same as they apply to the plate itself.

Section agreed to.

[Mr. Pouliot.]

On section 3—Gold. National mark.

Mr. MACKENZIE KING: Will the minister explain this section?

Mr. REID: The section reads "composed of gold of not less than nine carats in fineness," and I should like to know if this regulation is in effect in other countries.

Mr. STEVENS: I think that is the standard minimum recognized in the trade.

Mr. MACKENZIE KING: The explanatory note reads:

> This proposed national mark on gold and silver articles (not gold plated or silver plated) should stimulate both the buying and manufacturing of gold and silver articles in Canada.

Will the minister explain how this effect will be brought about by this proposal?

Mr. STEVENS: It is expected that the addition of this section will stimulate the art of producing gold and silverware. A very fine business in an artistic way has been developed in this country, particularly in silverware. In years gone by certain countries in Europe—Great Britain has been an outstanding case—developed a definite skill in this art and turned out some very fine ware. Canada, being a new country, has not been particularly forward up until say the last fifteen or twenty years. But in that period the artistic production of gold and silver in Canada has been very material. We are now second in the production of gold and I think third in the production of silver and this country lends itself to the production of gold and silverware. The trade generally has been unanimous in asking for this amendment in order to set a standard in this country for these wares.

Section agreed to.

On section 4—Silver. National mark.

Mr. STEVENS: The same argument applies to this section as was applied to the preceding section.

Section agreed to.

On section 5—Gold plated and silver plated articles.

Mr. MACKENZIE (Vancouver Centre): What is the reason for this?

Mr. STEVENS: This section is intended to make more clear the regulations covering Sheffield reproductions. In other words, there are certain wares known the world over as Sheffield and the term "Sheffield reproduction" has been used in this and other countries. The natural inference is that the article produced

is of similar quality and standard to that generally produced in Sheffield. In the absence of more specific regulations, certain manufacturers have impinged somewhat upon the standard by producing an inferior article. It is to clarify the situation that these amendments have been made. In other words, when the public buy a Canadian article termed a Sheffield reproduction, it will know it is getting an article just as good as the original article.

Mr. MACKENZIE (Vancouver Centre): What is the penalty under the act?

Mr. STEVENS: We do not touch the penalties in this amendment. They are not what I would call stiff but are suited to the case. Frequent prosecutions are undertaken by the officer administering the act.

Section agreed to.

On section 6—Gold.

Mr. MACKENZIE KING: What is the regulation dated December 6, 1928?

Mr. STEVENS: It will be observed that subsection (7) of this section is very technical but this amendment is simply to transpose into the act a regulation which has been in force for some years. What is sought to be done by this section has previously been done under the general powers to pass regulations not inconsistent with the act. The officers administering the act have at times found themselves embarrassed with the challenge that the regulation might exceed their powers in some technical detail. Therefore, it was thought advisable that the full definition should be carried into the act, and this is done by subsection (7). This subsection is highly technical but it has been gone over with great care by the officers of this and the justice department, all of which are agreed as to the correctness of the definition and its necessity and soundness.

Section agreed to.

On section 7—Obligatory marks.

Mr. MACKENZIE KING: What is the effect of this section?

Mr. STEVENS: Part of the Trade Mark and Design Act was repealed and in its place was passed what is known as the Unfair Competition Act, 1932. This section formerly appeared in that part of the Trade Mark and Design Act which was repealed and now is being brought under the authority of the Unfair Competition Act, 1932. It is merely a technical amendment.

Section agreed to.

On section 8—Electro-plated flat-ware.

Mr. MACKENZIE KING: What will be the probable effect of this section upon prices?

Mr. STEVENS: I would say that there will be no effect upon prices. This section merely clarifies a matter which has been in dispute for some time. Hon. members know that in recent years there has grown up a large sale in cheap and imitation jewelery and stuff of that character. Young girls like this for decorative purposes and we have been told that some of it is a very fine reproduction of real gold, silver, platinum and other precious metals. All we are concerned about is to make certain that no such product is imported and sold or made here and sold as platinum, gold, silver or plated-ware. The new sections 11 and 11A are designed to clarify the law in regard to these practices. It will not add to the price. In other words, it will not affect cheap jewelery at all, so long as such jewelery does not presume to be what it is not, namely, 14 karat gold or whatever it may be, nor profess to be sterling silver or silver-plated when in fact it is not. In gold plate there is a certain base of weight in gold that must be actually in the ware before it can bear the stamp "Gold Plated," and in silverware there must be a copper or nickel base and a specified quantity of silver in the article in proportion to that base before the article can carry the term "Silver Plated." Anything that does not meet with these regulations cannot bear the stamp "Silver Plated" or "Gold Plated," as the case may be.

Section agreed to.

On section 9—Meaning.

Mr. STEVENS: This deals with the nomenclature of the trade and the symbols used—"R.P." for rolled plate, and so forth, as set forth. It is merely to legalize these letters, because on small articles like a ring, for instance, there is not room to stamp the words "Rolled Plate", and the letters will be sufficient. This section specifies the terms that may be used and the meanings attaching to the letters in each case.

Mr. MARCIL: In every newspaper one picks up there are advertisements for the buying of gold jewelery of various kinds. Is there any law in this regard?

Mr. STEVENS: A very strict law. The whole act, including what we have been considering to-day, applies to such matters. Not frequently but occasionally our officers come

across false advertising. Such advertisements are carefully scrutinized and where there are grounds for prosecution the offenders are prosecuted. The practice of misrepresentation in regard to cheap jewelery is very sharply dealt with by the officers.

Mr. MARCIL: Is there any provision for protecting the public with respect to prices paid for jewelery they sell, or are the prices left to the buyer himself?

Mr. STEVENS: Competition between the manufacturer and the importer of what might be called legitimate jewelery is naturally very sharp. In the five and ten cent stores and in the department stores there is extensive and keen competition in the sale of the class of jewelery to which the hon. gentleman refers, and so long as such jewelery does not carry deceptive markings we do not interfere. Our duty under the act is to see that the public are not deceived.

Section agreed to.

Section 10 agreed to.

On section 11—Offence.

Mr. MACKENZIE KING: What is the penalty? The offence might be minor and the penalty severe.

Mr. STEVENS: This subsection is an addition to a number of others all coming within the same category of penalties. I cannot inform my hon. friend at the moment what the penalties are, but they are not severe, nor have I ever heard anyone complain about them. I suppose that anyone who is penalized naturally thinks the penalty severe, but I have never heard any complaints in this regard.

Mr. MACKENZIE (Vancouver): They are all fines?

Mr. STEVENS: Yes.

Mr. GRAY: I suppose these amendments were asked for and approved by the Canadian Jewelers' Association. What percentage of the jewelers belong to the association?

Mr. STEVENS: Practically all—all reputable concerns. I do not know of any exceptions, and certainly none have been taken.

Section agreed to.

Bill as amended reported.

[Mr. Stevens.]

INTOXICATING LIQUORS ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 3, to amend the Importation of Intoxicating Liqours Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On section 1—Importation into province forbidden unless consigned to His Majesty, the executive government or commission, etc.

Mr. MACKENZIE KING: There had been some contravention of the existing law, which was purely technical, and I take it that the object of the amendment is to regularize the matter.

Mr. GUTHRIE: Yes. There is a full explanation on the second page of the bill. For some time the brewers in Ontario, and in other provinces too, I fancy, have been shipping liquor to persons in Quebec other than the Quebec Liquor Commission, but persons authorized by the commission to receive liquor. Under the Doherty Act however that is a technical offence. The brewers in Ontario, for instance, can sell and ship only direct to the commission. If we insert the word "or" in line 13 and the words "or other" in line 17—that is the only amendment we ask—it will permit brewers from outside the province of Quebec to ship liquor into the province to persons authorized by the Quebec Liquor Commission to receive such liquor, as well as to the commission itself.

Mr. STEWART (Edmonton): Have not all the provinces laws with respect to the control by a commission of all liquor imported into their respective territories?

Mr. GUTHRIE: This will apply to all provinces, but difficulty has arisen only in regard to shipments between Ontario and Quebec.

Mr. MACKENZIE (Vancouver): To whom would these shipments to Quebec go, to private persons?

Mr. GUTHRIE: No, persons licensed by the Quebec Liquor Commission to receive them. But under the Doherty Act at the present time they can only ship to the commission authorized by the province.

Section agreed to.

Bill reported.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee to consider the following proposed resolution:

That, it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1933.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. MACKENZIE KING: May I ask the minister if it is his intention to introduce a bill based on this resolution, if carried?

Mr. STEWART (Leeds): Yes, Mr. Chairman, it is necessary to do so in order to make payments out of the consolidated revenue fund.

Mr. MACKENZIE KING: Will the minister explain the nature of the measure?

Mr. STEWART (Leeds): The proposition is simply to continue an arrangement that has been in existence for some years past between the government and the city of Ottawa with respect to certain services, and the supply of water at the same rates as have been paid for some years. This agreement was made some ten years ago, I think, and amended while my right hon. friend was Prime Minister, and for the last three or four years it has simply been continued at the same rate, $100,000 per year for water. There is nothing else involved. Many of the questions that arose under the agreement have been settled from time to time and have passed out of the realm of practical matters, and this really applies only to the payment of $100,000 per year for water.

Mr. MACKENZIE KING: I do not know, Mr. Chairman, whether this is the moment to discuss the broader question of the relations of the city and the government, but I would like to suggest to the minister that when he is taking up with the city council of Ottawa the question of an agreement between the government and the city he seek to impress upon His Worship the Mayor and the members of the council that something besides the mere letter of agreements is worthy of consideration between large bodies such as the government of Canada and the corporation of the city of Ottawa. As the minister well knows, the government of Canada at very considerable expense expropriated certain properties in the city of Ottawa for the purposes of a national park. Before doing so there were conferences between the city and the government as to the extent to which cooperation between the two might obtain in accordance with a generally understood plan. In a word the plan was that a large area in the centre of the city should be set aside as a park to be designated Confederation park, as a permanent memorial to the celebration of the diamond jubilee of confederation. Before any move was made by the federal government, as my hon. friend well knows it was necessary to call into conference the mayor and certain members of the board of control of the city at the time, and secure their general agreement to the plan. It involved action on the part of the city as well as on the part of the government. As far as the government was concerned the carrying out of the plan involved the expropriation of large areas of property in the heart of the city, and paying, I think, over $3,000,000 for properties to be demolished in order that the city which is also the capital might be provided in part with the proposed park. The city itself also undertook to make certain expropriations, and among other things did carry out an agreement to widen a considerable portion of Elgin street so as to permit of the park having a very wide street on the west as an approach to the parliament buildings.

In the course of consideration of the whole plan the question came up as to what was to be done with the few buildings remaining within the area it was proposed to set aside for the park; that area being bounded by Elgin street on the west, the canal on the east—or rather the street just beyond the canal on the east side, I have forgotten the name for the moment—

Mr. STEWART (Leeds): Nicholas street.

Mr. MACKENZIE KING: Yes, Nicholas street, and Sparks or Wellington street on the north and Lisgar street, I think, on the south, I mean the far side of Cartier square where the Normal school is at present located. As hon. members will recognize, already most of that is in the nature of park area, and the question came up as to what would be done with buildings that might still remain within it as the time drew near for their being demolished. While there was not a written undertaking with respect to what would be done in that regard, the understanding was that no new buildings should be allowed to be erected within that area, and that as far as the city hall itself was concerned, if the time came that it was to be

taken down or demolished, that location would fall into the general park area. As I was Prime Minister at the time and had to do directly with the negotiations, in which the federal district commission was also concerned, I would like to make it quite clear that there was no doubt in the minds of His Worship the Mayor and the board of control and the city council at the time or of the federal district commission or of the government of the day as to what the understanding was and the basis on which the government proceeded to make the expropriations which it did. Certainly if there had been any possibility of the city not cooperating in a wholehearted manner with the government in the improvement of the capital along the lines laid down, the government of that day would not have asked parliament to appropriate $3,000,000 or thereabouts for the expropriation of an area which lies right within the heart of the city.

The point I wish to make is this: the mayor and city council of Ottawa at the present time have called for designs for a new city hall.

Mr. BENNETT: On the old site?

Mr. MACKENZIE KING: Well the intimation is that the design should relate to the old site, but I understand that His Worship the Mayor has made it clear that that is more for the purpose of getting designs which will enable the city council to form estimates of what such a building would cost than actually to fix the location of the new building. I think the idea is to get the estimates at once for a building of a certain size, but not finally to decide upon a site until there have been further conferences with the government. That is my reason for mentioning at the moment what my understanding is of the arrangement made between the city and the government at the time the government asked this parliament to appropriate large sums of money for the expropriating of certain properties.

I should like to ask the government to stress with the city, if they will, the point that the object of the park is to provide a great open centre which will be not only an adornment to the capital of Canada but also something of practical service to the citizens of Ottawa, who are equally concerned in having a central park which can be used for ceremonial and other occasions and for gatherings of different kinds not to speak of the day to day use by children, young people, and persons of all ages. There is a civic end as well as a government end to be served, and I should like to point out that there would be as much justification for the government taking the properties that it owns to-day in the park area and beginning to erect government buildings on them as there is for the city to claim the city hall site as the one on which to construct a new city hall, since that site comes within the park area.

The government has expropriated all the land along the west side of the canal between Sparks street and Laurier avenue; it has constructed a fine driveway there of which the city has the advantage to-day. That drive is being maintained by the federal district commission. If the government of Canada were to take the ground that merely because they owned that land they could put up buildings within the park area, they would be perfectly justified in building on that roadway. They would be equally justified in putting up large public buildings in the area between Wellington and Sparks street, between the post office and Elgin street and south of Sparks street between the city hall site and Sparks street. The government of Canada would have as much justification for using land which it owns and which it has thrown into a genaral park scheme as the civic authorities have in claiming for building purposes the use of the south side of the old city hall which now has come into the park area. As a matter of fact as yet the civic authorities have not carried out a part of their specific agreement which was set out in writing, calling for the removal of the fire hall and police station from the park area. That should have been done years ago in accordance with the terms of the agreement.

This whole matter has relation to a plan in which all the governments of Canada have been interested and will continue to be interested. The government of Sir Robert Borden appointed a commission which went very carefully into the whole question of the future planning of the capital, and that commission recommended a large park in the centre of the city. The Liberal government which succeeded the Conservative administration of that day sought to carry on the plans of improvement of the capital that had been initiated and commenced by the government of Sir Wilfrid Laurier, and continued by the government of Sir Robert Borden. I hope the minister will impress upon the city authorities the fact that in these negotiations between the city and the government there are larger considerations involved than just the matter of one small site.

I should like to add this, that I am sure this parliament will wish to be generous within reason with the city of Ottawa. That has

been the attitude of parliament in the past and I am sure it will be so in the future, but parliament will expect a like attitude on the part of the city authorities. I hope it may be possible for the government, through its negotiations, to complete some arrangement which will ensure that the park area will be preserved as originally intended, and which will also enable the city to carry out some plan with regard to the erection of a city hall in connection with a scheme which will have the full approval of the administration of the day.

Mr. CHEVRIER: Mr. Chairman, as one whose honour and privilege it is to represent the capital city of this dominion, in association with my colleague, may I be permitted to associate myself with the remarks just made by my right hon. leader. Though the city of Ottawa belongs to its citizens it also belongs to the whole of Canada as its capital city. On a former occasion, when it was my privilege to speak with regard to the construction of the Victory Tower, I think Hansard will bear out that I said that the construction should be such as to represent the desires, the ambitions and the hopes of the Canadian nation so that the tower might in some way represent all these sentiments.

I do not know what the intention of the government may be with regard to the city of Ottawa, but I would ask that the government should not forget that Ottawa is the capital city of Canada, and that to it come legislators from the various provinces of Canada and visitors from the four corners of the earth. So I think that the government should do everything within reason, even in these very distressing times, to make the capital city of the dominion well worthy of the ambition, the courage and the fortitude of the Canadian nation, of which the right hon. Prime Minister is so wont to speak. When that time comes when the government feel like spending something, I would ask them to consider the fact that as one of the representatives of the city of Ottawa I have urged that this is one city that ought to be recognized throughout Canada.

Mr. STEWART (Leeds): In reply to my right hon. friend I can only say that I have reviewed the file of correspondence and representations in connection with the park area to which he has referred, and undoubtedly he has interpreted that correspondence quite properly. There have not been any recent negotiations with the city in connection with the proposed construction of a city hall on the old site, so all I know is what I have read in the press. From those reports I would expect that in the future there might be some discussion of this matter, and certainly I shall bring to the attention of the representatives of the city on such occasions the contentions and representations that have been made by my right hon. friend, because he has been thoroughly familiar with the matter since its inception.

Bound up with this matter is more than simply the opening of a park area. We must consider also the location of the national monument and other questions which undoubtedly, in the near future, will call for a conference between the government and the city. I can only say that we have endeavoured to arrive at a conclusion that is in the best interests of the Dominion of Canada and of the city, and that is calculated to carry out the original intention, so far as possible, as it is expressed in the correspondence.

I can only add that by this legislation we cannot in any way deal with the matters mentioned by my right hon. friend; the act has no application whatever to anything of that kind, since it deals only with certain services for which we make an annual payment.

Mr. BENNETT: I think it only proper to say that some time ago we set up a committee of council consisting of the Minister of Public Works (Mr. Stewart), the Minister of Railways and Canals (Mr. Manion) and Sir George Perley to consider this whole matter. The representations which the right hon. leader of the opposition (Mr. Mackenzie King) brought to the attention of the house this afternoon were present in the minds of that committee. The report in the press was made available, and the representations made by the city authorities at that time were communicated to the committee. Certainly there is no agreement and there would seem to be nothing in the nature of an arrangement which bound the city with respect to the rebuilding of the city hall so far as we can ascertain. I speak subject to correction with respect to that. There seemed to be however an understanding that the park was to be continued through to Cartier square. I believe expropriation proceedings were taken by the city with respect to the area which lies to the west of the Roxborough apartment.

Mr. MACKENZIE KING: That is right.

Mr. BENNETT: Also, the property which lies to the north of that was expropriated leaving, as the right hon. gentleman has said, the fire hall, which is still on city property so far as I have been able to ascertain.

Mr. MACKENZIE KING: And the police station.

Mr. BENNETT: Yes, the police station, the fire hall and the city hall stand in the same position. The matter is now in a position whereby at an early date, whenever time permits the three gentlemen named as a committee of council to meet the city authorities they are to do so and discuss the matter further.

Resolution reported, read the second time and concurred in. Mr. Stewart (Leeds) thereupon moved for leave to introduce Bill No. 8 to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 2, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, the amendment thereto of Mr. Mackenzie King and the amendment to the amendment of Mr. Gardiner.

Mr. SPEAKER: Before an hon. member proceeds to speak in the debate I should like to make some observations. Mr. Gobeil moved:

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

Mr. Mackenzie King moved in amendment:

That the following be added to the motion: We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country.

Mr. Gardiner moved:

That the amendment be amended by inserting after the word "advisers" the words "and official opposition."

Mr. Gardiner in moving the amendment to the amendment is reported at page 105 of Hansard of January 30, as follows:

The amendment as amended would then read: "We respectfully submit to Your Excellency that Your Excellency's present advisers and official opposition do not possess the confidence of this house or of the country.

The hon. member was mistaken in stating that the amendment to the amendment would so read. He has not moved to add the words "of this house or," and they are not contained in Mr. Mackenzie King's amendment. If the subamendment were adopted it would make the amendment read as follows:

That the following be added to the motion: "We respectfully submit to Your Excellency that Your Excellency's present advisers and official opposition do not possess the confidence of the country.

The adoption of the subamendment would make the amendment a motion of want of confidence in the official opposition. Members of the official opposition are but individual members, and are not charged with the duty of advising His Excellency. The question as to whether or not the official opposition has or has not the confidence of the public is settled by the mere fact that it is the opposition. It is immaterial that His Excellency be made aware at the present time whether the official opposition or any other party or group has or has not the confidence of the public as long as the government of the day has the support of a majority of the House of Commons. Of this fact His Excellency has been officially advised.

If a vote of want of confidence in a government is carried it means the resignation of the government, His Excellency's advisers. On the other hand a vote of want of confidence in the opposition is of no effect and not a matter to be submitted to His Excellency. It is a well known principle of British parliamentary practice that votes of want of confidence are directed only against the government of the day. I therefore declare the subamendment out of order.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, now that it has been decided to go ahead with the debate on the address I am permitted to get my little say off my chest two or three days sooner than I had anticipated. For that I am very grateful.

Turning to the speech from the throne I have much pleasure in announcing that I believe I shall be able to support one of the important measures forecast, namely legislation to facilitate the efficient and profitable marketing of live stock and agricultural products. I shall support it particularly if it lives up to the forecast contained in the press as to what is to be the nature of such legislation. I understand it is to be patterned after the British Agricultural Marketing Act of 1931 which I have in my hand. If Canadian legislation follows the British it will greatly facilitate the marketing of live stock and other farm products.

I regret however that, apparently deliberately, the government allowed a first class marketing medium to die right before its

eyes. I refer to the Cooperative Live Stock Association established in 1928, the operations of which extended across Canada from the Atlantic to the Pacific, which had done a very important commission business for a number of years and had just nicely got into the export trade. This Canadian organization had first class connection with the Scottish Cooperative Association in Edinburgh, but it was struck amidships first by adverse exchange in September, 1931, and then by the fact that the government reduced the grant by $10,000. These two unfortunate circumstances combined to put this institution on the rocks.

It was therefore up to the government to do something in connection with the marketing of live stock, and apparently it is about to do something, although it is a little late. I do not know whether or not the Cooperative Live Stock Association, to which I have referred, is still alive, but certainly it is not functioning as an export institution.

I shall not deal at length with the wheat agreement; I should like to see it first. May I tell the government that there is considerable opposition growing up throughout the country against such an agreement. I should not like to take the stand some people are taking. Although I have read Premier Bracken's first class presentation of the subject, I do not quite see how it can work out. Possibly however as time goes on we will get more light on the subject. I am going to enumerate a number of blunders, from our standpoint, which the government has made during the last four or five years in the disposition and marketing of our grain, and in their attempts to stabilize this, that and the other thing. Nearly every attempt made by any country to do something spectacular of an artificial nature, which I am sure the Prime Minister (Mr. Bennett) does not agree with very much on general principles, to try to get us out of the difficult position we are in has been a failure, and this government's record in this respect is not dissimilar to that of any other country—possibly a little bit worse.

The first matter to which I wish to refer is the Prime Minister's entry into the inter-imperial field of diplomacy in 1930. We all remember that he went to London on October 1, after having first shoved up the duties on many British goods. Then he promenaded to London and announced that he had arrived. Let me refer for a moment to the Prime Minister's first speech, I think it was, in England, and remember, he was proceeding to carry out his blasting and blazing policy at that time. After first slapping the British people, his kinsmen, in the face by shoving up the tariff on a number of British commodities he announced this:

> We must approve or reject the principle. I have put the question definitely to you and definitely it should be answered.

He not only intimates there how he is going to speak but suggests how they should reply. He went on:

> There is here no room for compromise, and there is no possibility of avoiding the issue.

You would think our kinsmen over there were trying to dodge him. He continued:

> This is a time for plain speaking, and I speak plainly when I say that the day is now at hand when the peoples of the empire must decide, once and for all, whether our welfare lies in closer economic union or whether it does not. Delay is hazardous, further discussion of the principle is surely unnecessary. The time for action has come.

Well, if that is the new diplomacy, if that is the policy of blasting and blazing, and I think apparently it was, results came immediately which resulted in our premier coming home empty handed. Before he was in London eight days, I think it was exactly on the eighth day, the Prime Minister let all and sundry know that "where MacGregor sat, that was the head of the table." He was on the radio talking to the world, instead of engaging in a conference. That is such a painful incident that I will leave it with that historic remark of Hon. Mr. Thomas—"humbug." I shall not try to paint the lily. That was major blunder No. 1 in 1930.

In 1931 there was another big blunder, although affecting a relatively small number of people in Saskatchewan. That was when the government undertook to give a five cent bonus on wheat to the growers of the west. It was spoken of first as a compensating adjustment, but it was in the nature of relief or bonus and it followed a very excellent speech made by the Prime Minister on July 1, 1931, in which he announced to the people of Canada the calamity that had struck the western plains because of the drought in that area. But imagine the consternation of the people when they found that to those who had had a fine crop this government disbursed over $11,000,000, and the bigger the crop the more of a bonus the farmer got; while on the other hand, those who had no crop at all or very little got nothing which they did not have to pay back or give a promissory note for. That was the most amazing spectacle of stupidity and asininity in the whole administration of relief, and

nobody has ever even attempted to justify such a record. The municipalities in the southwest feeling strongly that they were entitled to some consideration when others were getting a cash handout, not something to be given back but a gift, a Christmas box, sent a deputation to Ottawa proposing that a bonus of one dollar per acre be given in the southern part of Saskatchewan, which was so hard hit on that occasion, and this was refused. That refusal was blunder No. 2—a most egregious and stupid blunder that no parliament of seventeen-year-old schoolboys would ever think of committing. I want to tell my hon. friends over there that that was one of the first things that caused the present government to take a terrible slide in the estimation and confidence of the people of the west. Everybody knew it was wrong. Even those who got the five cent bonus knew it was most unmercifully unjust to the southwest and that is one of the many reasons why the government is rapidly sinking further and further in the estimation of the people of the west.

Then we had the Ottawa conference in 1932. Of course, there was no conference in 1931, or there would have been a more major blunder then. But there were conferences in the other three years. In 1932 a conference was called by the Prime Minister after consulting with the overseas dominions. Of course, we thought then, with the Prime Minister playing the part of host, that everything would be as nice as pie, that everything would be lovely. I think this was the very building the conference was held in. If one-half the reports we got were true, it was anything but a harmonious family gathering. But we will not dwell upon that. We all regret the rumours. Our Prime Minister did not come out of that conference with very great laurels upon his brow.

I want to refer to one statement that is being made all over by the government and its supporters, and that is that we got a preference on our wheat which was tantamount to getting six cents a bushel more than we otherwise would have got. Out in the west the western Tory members are continually trying to leave that impression, although the Prime Minister said distinctly on October 12, 1932, that he had no thought of exacting six cents per bushel more from the homeland for our wheat, thereby adding to the cost of bread in the old country. Here are the Prime Minister's words, at page 135 of Hansard of October 12, 1932:

> I have never at any time represented to the wheat growers of this country that the effect of a preference would be to set up in their favour a price differential in world markets and at the expense of the British consumer.

That is plain enough, yet the followers of the right hon. gentleman are continually stating out in the west that we get a preference which amounts to six cents a bushel for our wheat.

Mr. BENNETT: The hon. gentleman has misunderstood that. The Canadian producer does get six cents more than the foreigner gets for his wheat.

Mr. MOTHERWELL: It hits the foreigner but it does not help us. With the low value of foreign currencies, the foreigner has still the edge on us just the same. For fear that we might get a little bit out of that preference, look at the proviso in article 4 of the United Kingdom-Canada agreement. We get the preference provided we sell our wheat "at prices not exceeding the world prices." That is the proviso. Here are the terms of the contract. Of course, we know who put that in there and who agreed to it. It was Mr. Baldwin who put that in to protect himself when he went home, and the Prime Minister of this country wanted article 4 of the agreement so that he would be able to say that he got a preference for our wheat in the British market. But we get no better price. It is just the same as we have been getting for the last fifty years, and we can go on getting it for the next five years under this contract. Blunder number three.

What else took place in 1932? I think it was in 1932 that the hon. member for South Battleford (Mr. Vallance), the hon. member for Willow Bunch (Mr. Donnelly) and the hon. member for Weyburn (Mr. Young) raised the question as to the relationship between the government and Mr. John I. McFarland who was then operating on the Winnipeg grain exchange. I understand that primarily he went to that exchange as the representative of the pool, and whether or not they suggested it, I understand that that appointment was pleasing to the government. Things drifted on until Mr. McFarland became the hedging medium of almost the entire grain trade of Canada. That is the statement made by the Prime Minister in 1932, but prior to that his colleague had made the bold statement that Mr. McFarland was not dealing in wheat, either directly or indirectly, and was not on the market at all for the government. He said that Mr. McFarland was independent of parliament and of the government. What extraordinary statements to make! Who is this Goliath that is on the market and is independent of everyone, including the Prime

Minister? I wonder from whom he takes his orders? Does he take his orders from the pool or from the Prime Minister?

We find that since the fall of 1930 when Mr. McFarland began to stabilize the market, whatever that means, the stabilization has consisted in prices going down to the lowest point in four hundred years. Yet this gentleman was supposed to have authority not only to stabilize the Canadian market but to stabilize the world market. Those are his very words.

Mr. BENNETT: Whose words?

Mr. MOTHERWELL: It did not stabilize—

Mr. BENNETT: Whose words are those?

Mr. MOTHERWELL: The words of the Minister of Trade and Commerce (Mr. Stevens). That stabilization process did not but momentarily keep up prices, but it did result in Canada hoarding her wheat until the carry-over was larger than ever before. I have some figures which I obtained from the pool at Regina and from what I know about them I consider them substantially correct. I want to establish that while the operations of Mr. John I. McFarland were well intended by the government, they resulted in prices going down to an all-time record. That is the admission made in a leaflet which has recently been got out by the federal and prairie governments. The yield during the last four years has been smaller but the carry-over in each year has been larger than in the preceding four years. The average total production for the crop years 1926, 1927, 1928 and 1929 was 439,000,000 bushels, while the average total production for the last four years, 1930, 1931, 1932 and 1933, under this government and under the stabilization of Mr. John I. McFarland, was only 368,000,000 bushels. The average production for the last four years was therefore 71,000,000 bushels less than the average production for the preceding four years. The carry-over for 1926 was 40,000,000 bushels; for 1927, 53,000,000 bushels; for 1928, 92,000,000 bushels and for 1929, 127,000,000 bushels, a total of 312,000,000 bushels. The carry-over for 1930 was 127,000,000 bushels; for 1931, 140,000,000 bushels; for 1932, 137,000,000 bushels and estimated for 1933, 219,000,000 bushels, a total of 623,000,000 bushels, so that the average carry-over for this four-year period, 1930 to 1933, was 155,000,000 bushels, or twice the amount of the average carry-over of the previous four-year period. These figures show that while the average annual production for the years 1930 to 1933 was 71,000,000 bushels less than it was for the years 1926 to 1929, the average annual carry-over for 1930-33 was over 76,000,000 bushels in excess of the average annual carry-over for 1926-29.

I will admit that Mr. McFarland might be able to hold up the price of grain momentarily or temporarily; I will admit that he might do it for an hour or two a day or perhaps for twenty-four hours, but there are two things that will always happen when you try to hold up prices above those obtaining on the world's markets. One of two things, and perhaps both, will happen. Wheat will be thrown on the Winnipeg market from Chicago, or elsewhere the price will be beaten down and Mr. McFarland will be put in the position of endeavouring to do the impossible by holding up the market while great volumes of grain futures are thrown at him from all sides. The only result is what did happen,—down goes the price until it reaches a record low for the last four hundred years. That is one thing that will happen. The other is that the slight degree to which he holds up the market immediately loses us export opportunities. Everyone knows that the moment we get out of line with competing countries, exporting ceases or dwindles away to a mere dribble. This policy, begotten of the very best intentions, has resulted in doubling our carry-over in the face of smaller crops during the last four years. I hope I have made myself plain on this point because I do not want to dwell any longer upon it than is actually necessary.

In 1932 the government entered upon a program of fake preferences. They made good and sure that we should not receive any benefit from them by putting in the contract the stipulation that we must sell as we have always been selling, at world prices. That policy and the apparently free-lance appointment of Mr. McFarland had regrettable reactions, but I do not feel like blaming the government too much for them. These policies did not bring the results anticipated for the simple reason that the Argentine and Australia were able to undersell Canada, even though their products were of an inferior grade. This was made possible because of their depreciated currencies. Now that Mr. McFarland is hedging almost the entire wheat crop it cannot be said any longer that he is acting personally for a company or for the pool. He has the credit of Canada behind him and I think this house is entitled to know exactly what he is doing. I have placed some questions upon the order paper but sufficient time has not elapsed to make a complaint about not receiving answers. My information is that Mr. McFarland is in the employ and the pay of the government. Anyway, he has an office and staff.

Mr. BENNETT: I think it well to correct that at once. Mr. McFarland is receiving no pay, either from the government or from anyone else. He is giving his services.

Mr. MOTHERWELL: I have two or three questions on the order paper.

Mr. BENNETT: He never was employed by the government and the government has no control over his employment. It is by the pool.

Mr. MOTHERWELL: Does the Prime Minister wish the house to accept his statement that during all these years Mr. McFarland has been working for nothing and paying his own board and lodging?

Mr. BENNETT: I understand his expenses are being met by the pool.

Mr. MOTHERWELL: He must be a very wealthy man.

Mr. BENNETT: He is a very public-spirited man.

Mr. MOTHERWELL: In the meantime, I accept the statement that he is not getting any expenses.

Mr. BENNETT: I did not say that; I said he was getting expenses.

Mr. LAPOINTE: It is said the pool pays his expenses.

Mr. MOTHERWELL: But the statement has been made all along that the pool is not paying his expenses. That is on record in Hansard; the Minister of Trade and Commerce said that several times.

Mr. STEVENS: No, no.

Mr. MOTHERWELL: Oh, yes; I will have it hunted up after six o'clock and we shall see what the hon. gentleman did say.

Mr. STEVENS: Be reasonably accurate.

Mr. MOTHERWELL: I hope the hon. gentleman will look up the figures with regard to these carry-overs. With less wheat he has got a double carry-over.

Mr. BENNETT: Of course; anyone who knew anything about it would know that.

Mr. MOTHERWELL: If you had a one bushel crop could you have a one hundred and fifty million carry-over? The more you have, the greater the chances are of a carry-over. But with Mr. McFarland hoarding wheat, just as they hoarded wheat in the United States, it is no wonder North America gained the reputation of being hoarders of wheat, compelling buyers in Europe to turn to other sources for their supplies. It has been a huge blunder on the part of hon. gentlemen, who evidently do not know anything about their business in this respect. That is the trouble.

Mr. STEVENS: Don't get personal; don't be rude. Keep within the rules.

Mr. MOTHERWELL: This is the time, we are told, to make complaints, to ventilate our grievances, and my constituents are anxious to have from the government an audited statement of the business of John I. McFarland during all these years. I will not take the responsibility of running into an election and admitting that I have not done anything to see that this matter has been thoroughly explained to the people, that they have not been made aware of the relationship of the government with Mr. McFarland and also with the pool. My information is that the original wheat which the pool turned over to Mr. McFarland has not yet been sold and accounted for to the pool. If that is so, and I believe it is, what a wonderful medium of getting rid of our wheat we have had all these years! They were going to show the pool how to sell wheat. Now, Mr. McFarland has occupied the position almost of a receiver. Well, he received the wheat. but he has not sold it—just transferred it into futures. He has not liquidated the pool wheat; and I understand that, not having done any of these things, he has really defaulted or been neglectful in his duties as receiver, so that it is up to the government, for their own sake as well as for Mr. McFarland's, to elucidate a little their relationship with Mr. McFarland and to let us know how much longer that gentleman proposes to keep up this hoarding policy. Is it going to be kept up until all the buyers in England are driven elsewhere for their supplies?

Hon. gentlemen may smile, but these are the seeming facts; and these carryover figures are correct. If they have anything further and fuller to offer us I am sure the house will be glad to know what it is. In the meantime I want it understood that we cannot allow this to run any longer. I cannot take the responsibility of not asking the government for some light on this subject—I will not say demanding; I will ask them for it. The Prime Minister two years ago made a very full statement, a good statement on the government's wheat stabilization policy. I do not know whether he understood it himself, but many of us did not.

Mr. BENNETT: That is the reason you find it good now.

Mr. MOTHERWELL: I have no doubt the Prime Minister would be glad to be rid of this whole business. I might refer to the situation as it existed last July, when wheat futures reached $1 per bushel. Cash wheat was at one time anywhere from 94 to 96 cents. I happened a little later to have a load of wheat left to sell and received at point of shipment 71 cents. We want to know how much John I. McFarland unloaded when it was at that price and how much he bought in later. We understood that the government intended to get rid of this business as soon as they could. Are they going to wait in order to make money for the pool? Well, that is a noble justification for waiting, but suppose it does not go up. The longer you wait the higher it must get because of carrying charges. Every time you sell futures at low and buy it high it costs money. I hope therefore that the Minister of Trade and Commerce or the Prime Minister or someone else will explain the relationship of the government to Mr. McFarland. The Minister of Trade and Commerce has made the statement that Mr. McFarland is responsible to neither the government nor to parliament, and if he is trading in wheat on his own account that is his own business.

Now we come to the wheat agreement. I do not know how it will turn out, but while Russia has agreed to the principle of the agreement the fact remains that she has not agreed to her allotted quota, and to the extent that we may back up they can step in and throw all the wheat they like on the British and European market. That is the situation as I understand it. There may have been developments in the last two or three days, but with Russia out of the picture it is absolute folly to talk about restricting our wheat acreage and permitting them to occupy our place. There is another factor to be taken into consideration in this connection, and that is that in addition to wheat all these countries grow rye. So that all that their farmer would have to do, even if compelled to reduce his acreage of wheat fifteen per cent, would be to grow that much more rye. Rye is made into bread—occasionally it is made into liquids but for the most part it is made into bread, and good bread, which is used almost entirely in some countries in Europe. The result is that you will have as many loaves of bread as ever, if no provision is being made here with respect to the non-growing of rye. That is another evidence that hon. gentlemen do not know their business with respect to the world grain situation. Here we have had one blunder after another, one tragedy after another, and the end is not yet.

Now we come to the proposal that the farmers, among their other worries, will be prohibited from marketing or possibly growing more than a certain amount of wheat.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MOTHERWELL: Mr. Speaker, shortly before you called it six o'clock some of my statements were perhaps not exactly challenged but almost so by the Prime Minister and by the Minister of Trade and Commerce. As the latter was not in his seat at the beginning of my remarks I am going to repeat something of what I have already said. When I indicated that the government had credited Mr. McFarland with stabilizing the price and steadying the world market, that was disputed. At page 2083 of Hansard of the 1932 session, the Minister of Trade and Commerce said:

> To the extent that it held the Canadian market steady in the face of the rather strange actions of the farm board south of the line it contributed to the steadying of the world market.

Again:

> Where the government came into the matter, however—and I have said this three times; I trust my language is not obscure—the government simply guaranteed the banks against loss on the pool's initial payment to the farmers on the purchase of grain.

Then getting back to the quotation I made first with respect to the statement made by the hon. member for South Battleford (Mr. Valiance), here is what he said:

> If it is not true it should be stated accordingly, because it is strongly rumoured that John I. McFarland is to-day holding large volumes of wheat, speculating in futures, with the Canadian people's money.

He was speculating in futures—every one knows that—and doing it with the Canadian people's credit; at any rate if you can distinguish between the two I would like to know. So the hon. member for South Battleford was substantially correct.

But listen to this amazing statement. The hon. minister, just like the Prime Minister, jumped into the breach, saying:

> Oh, no, I must hasten to correct that.

And:

> Mr. John McFarland, of course, is independent of parliament and of the government. He is a gentleman of means, a gentleman with knowledge of the wheat business, and if he has bought wheat on his own account that is his own business.

He was never charged with buying wheat on his own account; he was charged with speculating in futures with the credit of the people of Canada and the guarantee of the government; and if he was not an employee of the government why did the government guarantee his account? Is the government going around helping everyone who has an account or a line of credit to be guaranteed? That would be high finance with a vengeance.

Then in reply to the hon. member for Weyburn (Mr. Young) the Minister of Trade and Commerce said:

> I do not know of a bushel of wheat held by the government, either directly or indirectly.

The same Mr. McFarland was then thought to have between 100,000,000 and 150,000,000 bushels of wheat futures and his line of credit guaranteed by the government, and the minister denies it on a quibble. When I heard that denial I thought I could hear in the distance the cock crowing. It is almost enough to make it crow. That is all I have to say in regard to that; I think I have covered all the points that were challenged.

Now a word about the stabilization fund, not Mr. McFarland's, but under the Department of Finance. It is not anything that has been done by the government that I am complaining of; it is what has not been done. For eighteen months on every dollars' worth of goods exported from Canada, whether from the factory, the farm or the forest, that was paid for in British pounds, from ten to thirty per cent was lost in exchange on the transaction. That is what I am complaining about. The government, when it brought down the regulations for the stabilization fund, admitted that loss although its provisions did not include wheat. Why were they paying it if they didn't know their previous attitude was ruinous to the farmer? No; the government tied our dollar up to the American dollar; they legislated for the big fellow with obligations in New York; then at a late hour, when the British pound was coming right anyway, the government magnanimously came along and said: We will pay that exchange.

Mr. McINTOSH: And the farmers lost millions.

Mr. MOTHERWELL: Yes, that is what I complain of. They paid out just $20,000 or so when the minister himself estimated anything between $5,000,000 and $10,000,000. Just when the thing had cured itself along came the act providing for payment of exchange, and when they got the regulations fixed up they paid about $20,000, none of it being on wheat.

Now I agree with the Prime Minister about one thing, namely this carry-over, which has been growing furiously under this same stabilization policy of Mr. McFarland; which doubled during the last four years as against the previous four, although the crop averaged 71,000,000 bushels less for the last four years than for the previous four. I think the Prime Minister is quite right in saying that something should be done to remove that carry-over, but the action should not be to go to the farmers and tell them to grow less wheat. What justification have we when we hear statements like that of Mr. Cromie of the Vancouver Sun, made after travelling extensively in India, China and other countries, that three quarters of the population of the world go to bed at night with empty stomachs, while a good number of the remaining quarter go with a stomach too full. Suppose that is exaggerated; suppose half the people of the world go to bed hungry, what justification have we for reducing the present abundance in order to benefit those countries who have too much, and letting the other half of the world starve to death? You are just making C.C.F.'ers every day by following such a policy. You are discounting and damaging the very system that most members of the government believe is all right, the capitalistic system—and I too think it is the best in sight with some corrections; it should be bitted and bridled, however, and not let run around loose as at present. Last year I put on the order paper a resolution, and in the absence of the Prime Minister I am going to thank him now, the first opportunity I have had, for his very gracious and generous remarks in that connection. But what is the use if he does not act on them? Here is the resolution, omitting the introduction:

> And be it further resolved,—that the government of Canada take such steps as are necessary and expedient to explore the possibility and practicability of selling on long term credits a substantial quantity of our embarrassing wheat carry-over to China, or any other available country where poverty, hunger and misery prevail.

Three things may stand in the way of that being carried out. One is, can you find anywhere in this world in which half the people go to bed hungry a country to which you can sell wheat on long credits? We had representatives from China trying to negotiate an arrangement with the government a year ago.

I do not care where the wheat goes, whether to China or Japan or Russia, so long as it goes into consumption and we are not guilty either of destroying it or taking steps to prevent future abundance of it. So long as it goes to help someone and establishes a trade contact with some country that has not yet learned to use our wheat, it satisfies me. We want to develop a taste for wheat flour and wheat bread and get contacts with these countries with huge populations. We have to do it, whether we do it from a humanitarian or a business standpoint. We are being crowded out of Europe, and everyone knows the reason—their desire to become self-sustaining in the event of war, and in some measure justified retaliation against Canada for our high tariffs against them. So I suggest with all the earnestness the Prime Minister gave me credit for last year that disposition be made of our surplus wheat on the best terms possible to those hungry countries. It would of course add a certain amount to the national debt of Canada. Suppose we add $75,000,000—and mark you, Mr. Speaker, we are responsible more than any other country in the world for this huge carry-over—in my estimation even if the government should add $50,000,000 or $75,000,000 to the public debt by taking this action I think it would have a better effect than will result from a reduction in acreage, and it would also bring about a new contact with a new country, establish a line of business which we do not have now and help cultivate a further taste for wheat bread. I can remember when Japan consumed very little wheat, while now she is a very large consumer, and it is the same with other countries. That is my alternative suggestion, and in addition I would say that the proposal advanced by the government is not workable. It is more apt to increase than decrease production, as experience has shown in the United States during the past twelve years.

I know that to many of our eastern friends the question of wheat is a complex problem, but I am going to point out that the government do not even know much about hogs. I have here the official hand-book of present conditions and recent progress in Canada for 1933. We have the picture of the Prime Minister in the front of the booklet, as large as life and twice as natural, and here we are told the kind of hogs we should grow, according to the Minister of Trade and Commerce, who goes on to elaborate on the great market that has been opened to us. But, he says, we must grow the right kind of hogs. Here we have the picture of an alleged pedigreed Yorkshire brood sow. It does not look very much like a sow to me, but that is what it is said to be. Of course I do not blame the Minister of Agriculture (Mr. Weir) for this, though the experimental farm is credited with supplying the cuts for these pictures for the Department of Trade and Commerce. Then directly below is shown a group or litter of twelve Yorkshire geldings, so called. What a fearful thing it is to fall into the hands of a government that knows nothing about either wheat or hogs. On a very superficial, cursory examination, we find that the alleged brood sow is not a sow at all but the gentleman pig himself.

This pamphlet has gone to libraries in every part of the British Empire, Mr. Speaker. I know when I was in the department these bulletins went to every part of the world. We all know the present fad for research, and just think, perhaps a hundred years from now some technocrat or research devotee will be going through the files of some of our libraries in order to see what was done at the Ottawa conference. I have no doubt, that when he does so he will wonder what kind of political geldings had charge of the destinies of Canada at this time.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I intend to devote my remarks this evening to the wheat agreement, which I intend to support. I may say that I was in favour of something of this sort being attempted before I knew what this government intended to do. I have been arguing in favour of something like this in my own constituency and in western Canada for a good many months.

I am very glad that the right hon. leader of the opposition (Mr. Mackenzie King) undertook to argue against this agreement. Most of us owe more to those who differ with us than we are prepared to admit at times, and after hearing the remarks of the right hon. gentleman against the agreement I am more than ever convinced that we are on the right track. I do not want to be severely critical of the right hon. gentleman, because I suppose he spoke according to his light and understanding, but after listening to his remarks I am sure he does not understand the wheat agreement. I wish to take up the various points in connection with that agreement, and I shall endeavour to show why I am in favour of it and why I think we should support it.

My right hon. friend said the speech from the throne referred to one other measure by which the government proposed to help agriculture and he said that was spoken of as the

wheat agreement. He then went on to quote from the speech from the throne the paragraph which refers to the disastrous, price-depressing influence of the abnormal surplus of wheat stocks. He then went on to ask:

What is this so called wheat agreement, Mr. Speaker, and how is it going to help the agriculturists of this country? I think I am right when I say that first of all it is in effect an agreement to reduce the acreage of wheat production.

Then he went on to say:

—the government, having destroyed trade, is now seeking to destroy production—

Perhaps indirectly this is an agreement to reduce wheat acreage; that may be its effect. I hope that will be the effect temporarily, but really it is an agreement on the part of the wheat exporting countries of the world, chiefly Canada, the Argentine, Australia and the United States, to fix the amount of wheat they agree to export, and no more. The quotas fixed as between the various countries are planned, with an allowance of perhaps 47,000,000 bushels for Russia if she can supply that much, to meet the import requirements of the various countries of Europe and the rest of the world that import wheat. We have also an agreement on the part of the importing countries that they will not take steps to increase the wheat acreage within those countries, and that they will encourage the consumption of wheat. We have as well an agreement concerning the exports of wheat from the Danubian exporting countries, which exports are limited to about 54,000,000 bushels.

The pools of western Canada—and I have been a member of the Alberta pool ever since it was organized—I believe to be almost unanimously in favour of this agreement, as are the three provincial governments. I do not know that this is an argument as to why we in this house, representing as we do the people of the Dominion of Canada as a whole as well as our own constituencies, should support the wheat agreement unless we believe it to be in the interests of the farmers and of all the people of the Dominion. I believe that this agreement cannot be called strictly a government measure in the sense that other policies are so termed, such as protection. I do not think the government initiated the drive for this agreement; I believe the government came into the picture because of necessity, because of national interest, because the Dominion government must represent Canada in any world conference, and because of the world nature of the problem confronting the wheat producers of Canada. The agitation for this agreement started because of the catastrophic fall in wheat prices.

[Mr. D. M. Kennedy.]

Personally, Mr. Speaker, I am very much interested in the matter, because I am tired of producing wheat and selling at a loss. Of the crop of 1930, about which we heard so much, I have something like 3,000 bushels in the Alberta wheat pool. It cost me 11 cents a bushel for threshing and so far I have received 10 cents a bushel for the wheat. Since that time I have been selling wheat at an average price of about 27 cents a bushel, including all the grades, and I am sure that it cost easily twice that much to grow.

There is another reason why I am convinced that the agreement contains something of value. All the critics of proposals leading in this direction before this agreement was completed failed, so far as I know, to give us any reasonable alternative. The editor of the Free Press in western Canada has said: "Sell the wheat for whatever it will bring." Well, if we have been giving away wheat at half the cost of production I think we have gone as far as we ought to go in that direction. That is exactly what we have been doing. John McFarland, who, I think, is to be commended for the clear statements he has given to the people of western Canada and the country in general concerning this problem, has stated that all those who have said "sell the wheat" have failed to say to whom we should sell it.

How did the wheat surplus arise? It arose through an increase in wheat acreage throughout the world. The other night when the hon. member for Lisgar (Mr. Brown) was addressing the house he referred to the fact that in western Canada there would probably be a decrease in the acreage due to natural causes such as grasshoppers and lack of moisture in the soil from the previous year. Then, in the Peace river district we have other causes; for instance, twenty-five per cent of our crop is under the snow, and there will be a reduction on that account. But because we have a wheat quota and provision made for the study of that question, the actual reduction in acreage that may take place in the natural course of events presents no real difficulty so far as its application to this agreement is concerned.

The Wheat Situation, 1931, is the name of a report prepared by the Imperial Economic Committee in which it is shown very clearly that it was the increase in acreage of the world that led to the increase of wheat production. Notwithstanding the fact, which has been pointed out by the hon. member for Melville (Mr. Motherwell) and several others, that we have had wheat failures in Canada bringing yields 100,000,000 or even 200,000,000 bushels below the normal crop, the world wheat crop average to the acre is a

very constant figure. At page 103, statement 8 of the Imperial Economic Committee report, showing the yield per acre in the principal wheat producing countries in the world, it is shown that the average yield per acre for all the world except Russia and China between the years 1909 and 1931 varied only from 14 to 16·2 bushels per acre. So that if we take those figures together with the fact that since 1920 there has been a tremendous increase in acreage we have one factor, if not the chief factor, in the development of the world's wheat surplus. Between 1909 and 1913 the average world acreage, excluding China and Russia, was 196,000,000 acres. In 1920 it was 208,000,000, and in 1931, 235,000,000. I should like the house to note that Canada's acreage increased from an average of 10,000,000 acres between 1909 and 1913 to 26,000,000 acres in 1931. As a matter of fact, this country has increased its acreage out of all proportion to the increases in other parts of the world. The Argentine acreage increased from an average of 13,000,000 acres between 1909 and 1913 to 17,000,000 acres in 1931. In the same period the acreage of Australia increased from almost 8,000,000 acres to almost 14,000,000. Therefore, Mr. Speaker, the control of the quota by an agreement telling us to export a certain amount of wheat, assuming that the actual effect will be passed back to the farms and result in a decreased acreage, is, in my judgment, in view of these figures, a sensible proposal.

Regarding the wheat agreement the leader of the opposition has asked this question: "What is Canada going to get in return?" He has pointed out that Canada, having the largest surplus, must make the largest sacrifice. Well, John McFarland again points out in the pamphlet before me issued by the pools that Canada's share in world trade in wheat between 1920 and 1930 was an average of 35·6 per cent, and that under the wheat agreement Canada is given an average of 35·7 per cent or a position a little better than her average between the years I have mentioned. In face of the fact that Canada's acreage increased so tremendously between 1909 and 1931, I think Canada, under the agreement, is being fairly dealt with when we compare her position with that of other countries mentioned therein. The right hon. leader of the opposition said:

> What is Canada going to get in return? The wheat agreement says that the wheat importing countries have undertaken that they will encourage the consumption of wheat.

That is number one.

> They will not encourage increased production in their own countries.

That is number two.

> And once the wheat produced by these exporting countries has risen to a certain figure, which comes to about 98 cents or one dollar in terms of Canadian money at the present time, and remains at that figure for several weeks the wheat importing countries will consider lowering their tariffs to admit more wheat from the wheat exporting countries. Is there any guarantee that wheat is ever going to rise to that figure? And if it does, is there any guarantee that these other countries will carry out what they have undertaken.

Those are the three points enumerated to show what Canada will get in return. The wheat importing countries will undertake to encourage consumption; they will undertake not to encourage increased production in their own countries and under certain conditions they will lower tariff barriers. But, is that a fair statement of what Canada will receive? I submit that it is not, and that it shows that the leader of the opposition has entirely misunderstood the agreement and has failed to grasp the most significant feature in it. What about the agreement of the Argentine, Australia and the United States to control the export of wheat from those countries? The first proposal dealing with the wheat situation was that the exporting countries should get together; and when the leader of the opposition attempted to analyze and present to the house his reasons for opposing the wheat agreement he entirely overlooked this proposal.

Coming to the question of Russia, there has been no undertaking by Russia that she will limit her acreage, and the question of her exports has to be discussed with each of the exporting countries. Surely no one who listened to the statements that were made about Russia in this house last night or has read some of the statements about Russia in the press and the struggle that is going on in her chief food-producing area in the Ukraine, will say that we ought to try to lay down hard and fast rules so far as Russia's acreage is concerned. Within the last few years I do not believe Russia exported in any one year much more than 25,000,000 bushels, and under the quota arrangement for the United States, the Danubian countries, the Argentine, Canada and Australia, there is left about 47,000,000 bushels.

Then there is the objection as to the intensiveness of cultivation. I think that the average returns of the world acreage sowed to wheat will show that there is not a great deal to this objection as to the intensiveness of cultivation. All of us who have tried farming and intensive cultivation in Canada know that you can sometimes run into just about

as much trouble by farming well as by farming carelessly. For instance, I know that I have had wheat frozen because it would not ripen due to the intensive cultivation in western Canada just as often I have been caught by dry weather, when I was trying to get by with less intensive cultivation. In the highlands of Scotland, where I farmed before coming to Canada, we had a very steady yield from year to year, but the problem was to get the crop to stand up so that it could be cut by a binder. So I do not think the leader of the opposition made a very strong point when he spoke of the danger of intensiveness of cultivation from the point of view of over-supply.

He also mentioned the constitutional issue. Time and again, he said, the government asks us to accept this wheat agreement without our having a word to say about it, and yet he discussed it for three-quarters of an hour. He did have his say, and from his standpoint as leader of the opposition he may have made some points that look strong at first sight, but they fail when analyzed. He did make one point, however, to which I wish to call attention. He was referring at the time to two agreements affecting the United States and Canada, the St. Lawrence waterway agreement and the wheat agreement. I could not tell by reading the paragraph just to which agreement he was referring when he said that in the United States they were dealing with an agreement and that there they allowed the members to vote as they liked; for, as we all know, the government of the United States is not defeated when a particular measure is defeated, and it carries on for its full term of four years in any event. The leader of the opposition said he would like to have that kind of vote in this house in connection with this agreement, and he was referring, I think, to the wheat agreement. I want to say, Mr. Speaker, that I am always willing to take my responsibility in connection with any agreement or bill with which we are dealing specifically or upon any specific amendment, but I do not like these blanket votes that we have on the speech from the throne and the budget where, regardless of how you vote, you are both right and wrong. So far as the two amendments proposed are concerned, they just about mean this, that the official opposition believes that it could run the business of the country better than the government that is in power, and the Cooperative Commonwealth Federation believes that it could run it better than either of the other two parties.

In his appeal to religious conviction the leader of the opposition was, I think rather unfortunate. He was as badly mixed in his theology as he was in his economics. The whole point in the agreement is not a question as between scarcity and abundance, as the leader of the opposition evidently thought it was as shown by the revised prayer which he submitted to this house. The real question is as between superabundance and plenty. That is the question with which we are trying to deal, and I submit that if the leader of the opposition wants a prayer that fits the occasion he will find it in the thirtieth chapter of Proverbs, in the eighth verse: "Give me neither poverty nor riches; feed me with food convenient for me."

The leader of the opposition made a statement with regard to the general policies of the government with which I cannot agree, when he said that whatever emergency we may have in Canada, it is due to the policies of the government. I think that must be taken in connection with his statement that the most effective way to help agriculture in this country would be to use the tariff as an instrument of national policy, but use it to serve the interests of agriculturists as well as the interests of manufacturers. I will quote his words:

> May I suggest that a most effective way to help agriculture in this country would be to use the tariff as an instrument of national policy, but to use it to serve the interests of agriculturists as well as those of manufacturers —use it as an instrument to reduce production costs and the cost of living by lowering the tariff in regard to some of those things which will enable the western farmer to reduce his costs of production.

We are all familiar with that argument. I submit that to say that the emergency in Canada is due to the policies of the government is very much wide of the true facts of the situation. I am not saying that those policies have had no effect. I am not saying that lowering the tariff would have no effect. But when he says that the emergency in Canada is due to the policies of the government, and to that alone—and that brings us back to the statement of the leader of the opposition that the proper thing to do is to reduce the tariff—I would refer him to the World Economic Survey, 1932-33, made by the League of Nations, in which publication there is a chart showing the contracting spiral of world trade dropping from $5,000,000,000 in 1929 to less than $2,000,000,000 in 1933. Hon. gentlemen will notice that this chart is like a spider's web or a winding spring, and never do the lines once cross since world trade started contracting in 1929. At page 16 of

this publication there is this statement on the decline in world trade:

There were two elements in this decline, the fall in average prices, which appears to have been about 50 per cent, and a reduction of about 25 per cent in the actual quantum of goods exchanged. The exchange of three-fourths of the former quantity of goods, at about half the prices ruling three years before, yielded a total value of world trade little more than a third of the 1929 monthly average.

What guarantees have we that the countries signing this agreement would keep their word? Just the guarantee that governments usually keep their word. We have no monopoly of virtue in Canada, we have as much right to expect that other countries will keep their agreement as they have to expect that we intend to keep ours. I am sur that we intend to keep ours. Surely that is not a fair argument for a man who has boasted that his government put through more trade agreements when in office than the present government. The following dispatch from Manchester, England, dated February 4, appeared in the Morning Citizen of yesterday:

Free trade, Sir Herbert Samuel says, will be the main plank in the Liberal party's new "positive constructive" policy.

"Our first proposal will be that all nations which are willing to trade freely with low tariffs among themselves shall be brought together in a general agreement in order to do so. That is our immediate and principal aim."

If a reduction in Canada's tariff would lead to a reduction in the tariffs of the world, why did not the Liberal policies put into force from 1921 to 1930 prevent increases in the tariffs of Germany and France against wheat and flour? I have no time to give particulars of the increases in those tariffs because my time is passing, but Germany, France, Italy, Czechoslovakia, Austria and various other countries which were importing our wheat in large amounts increased their tariffs by two, three and four hundred per cent between 1924 and 1930. Therefore I submit that there is no alternative to this agreement open to us.

I should like to call the attention of the house to something else. In an effort to regulate the food supply of the world we have come together with these countries. They have agreed that we ought to have a just price, and we have agreed to sell at a just price. I think that that is what is implied in the agreement and it is the only basis upon which we can deal and agree with people if we are to have anything like permanent and satisfactory relations. The world depression was on the way by 1924; it was on its way before 1930 and we felt the change very definitely in Canada in 1929. I have in my hand a book written by G. D. H. Cole. The hon. member who spoke last night thought he was quoting this gentleman, but I do not think he was. He gives statistics from the League of Nations which show that wheat prices were falling steadily from 1924 onwards. I understand the hon. member for Weyburn (Mr. Young) is to speak after me, and I am sure he will be pleased with this statement of Mr. Cole:

There had been no corresponding fall in the prices of finished industrial goods, though these too had shown in certain cases a downward tendency.

The Liberal tariff policies of 1924 to 1930 did not prevent a fall in wheat prices and did not prevent an increase in the tariffs of other countries of the world against wheat. In fact I believe that one of the main reasons for the increase in the tariffs of Europe was an attempt to prevent this tremendous surplus of wheat in other countries of the world from depressing the price of agricultural commodities within the countries of Europe. If we could get them to lower these tariff barriers, it would be a fine thing, but I do not know how we are going to do it, especially in view of the present feeling in Europe with regard to war.

I submit that no alternative to the agreement has been offered to this house. There has been no alternative offered which would regulate the imports and exports of wheat throughout the world on a basis which could be beneficial to both producer and consumer. The free trade argument runs something like this: If prices fall, your production will fall. Prices have fallen disastrously and production has steadily increased. There has been some variation, but on the whole this is what has happened. World production kept on increasing and consumption did not even threaten to catch up. If the free play of supply and demand would tend to equalize production and consumption, this ought to be done deliberately and intelligently when there is an over-supply of wheat in the world in relation to the effective demand.

I should like to refer to the statement made by the Prime Minister (Mr. Bennett), to which attention was directed by the hon. member for Labelle (Mr. Bourassa), in connection with the tremendous prices paid for wheat during the war. I intend to try to show that both hon. gentlemen were wrong so far as the west was concerned, and I shall submit very definite proof. The Prime Minister referred to the fact that one minister had pointed out the danger of charging $3 per bushel for wheat during the war. The hon. member for Labelle made reference to this statement, but I shall not repeat his remarks unless he wants me to do so.

Mr. BOURASSA: Oh, no.

Mr. KENNEDY (Peace River): He left the impression that the people of Europe were afraid that we would again hold them up like that. This agreement is the answer. We say: We will sell to you at fair prices, and they say: You are entitled to better prices than you are getting to-day. The farmers of western Canada had nothing to do with setting the price of wheat at $3 per bushel during the war. If there was any setting of prices to be done, it should have been done in connection with not only wheat but everything else in the country. When wheat was selling for $2 per bushel in Great Britain it was worth less than it was during the years when it was selling for around 90 cents and $1 per bushel.

I should like to refer to the report of the Imperial Economic Committee which gives the index numbers of British and American wheat and of all commodities excluding wheat and flour from 1846 to 1930. This table gives the value of wheat in terms of other commodities over this term of years, and the index varied from 54 in 1919, 52 in 1920, to as high as 119. We must go back to 1864 to find a year in which the value of wheat in terms of other commodities was as low as it was in the year 1919. I do not believe there was any bias in the minds of the people who prepared these statistics, nor was there any in the minds of those who prepared the figures for the imperial economic conference. I have this belief in spite of all that has been said to the contrary; if the people of western Canada as a part of the producers of the world were guilty, directly or indirectly, of bringing about the high price of wheat which prevailed during the war, they have certainly more than atoned for it during the past four years by accepting a price for their wheat which is less than half the cost of production.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, after extending my congratulations to the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address, which I do most heartily, may I make the observation that several times since this government came into office have I said that it has done more for the farmers of this Dominion of Canada during the three or four years it has been in office than the Liberal government did in the whole nine years previously. The proof of that contention is found in the fact that to-day this government is receiving support for its policies from those gentlemen in the house who do not belong to either of the old parties. We see them rising one after the other and commending the government for what it has done and is doing with respect to agriculture in this country.

My remarks this evening may be somewhat more fragmentary than usual because I desire to place on record some figures in opposition to some of the fancies that have been given utterance on the other side of the house to-day and in the past day or two. Before doing so however I wish to apply myself to some of the remarks made by the hon. member for Lanark (Mr. Thompson) the other day with regard to the relationship of the two central provinces to the western provinces of Canada in the matter of taxation. The hon. gentleman said that 45 per cent of the taxes of Canada were paid by the province of Ontario and 30 per cent by the province of Quebec. Had he said that 45 per cent of the taxes were paid in the province of Ontario he might have been within the mark; but when he says that they are paid by the province, that is an entirely different story. The great companies doing business throughout Canada have their headquarters in Montreal and Toronto to a large extent. The banks, for example, pay one per cent tax on circulation. That circulation is dominion-wide but the tax is paid in eastern Canada, and Ontario and Quebec try to take the credit for it. The great loan companies, the insurance companies, the railway companies and businesses with headquarters in eastern Canada all pay taxes in the east, but they make throughout the dominion the money out of which they pay those taxes. To say therefore that 75 per cent of the taxes in the country are paid by the two central provinces, and to leave that statement unmodified, does not present a true picture of the respective responsibilities of the different provinces of the dominion. The hon. member referred to the wheat pool and the agreements and guarantees. The guarantees will not cost the prairie provinces anything, because they are secured by mortgages on property, and the payments which the pool has agreed to make with respect to the guarantees will be made and continue to be made year by year.

With regard to railway policies, the western provinces have been no more guilty than any other part of the dominion. As regards social legislation, we have perhaps gone further than we ought to have done; but I should like anyone to name me any province that has not done the same. So far as balanced budgets are concerned, the province of Saskatchewan last year came closer to balancing its budget than did any province west of the maritimes. The province of Ontario did not come within $5,000,000 of balancing its budget, whereas Saskatchewan came within half a million. I do not know

what the figures are for this year; I am speaking for last year only. In 1928 the agricultural revenue of the three western provinces was $843,000,000, and in 1932, by reason of circumstances not under the control of the prairie governments, that revenue fell to $273,000,000. Under these circumstances is it fair to say that the troubles in the western provinces are due to reckless extravagance on the part of their administrations? I wish to say to the hon. gentleman through you, Mr. Speaker, that the people of the west have been pretty fair customers of the people of eastern Canada, and the people in the east are beginning to realize that fact. Is it right and proper, then, to jump on your customer when he is down, instead of giving him a hand to help him to get on his feet again and resume a position in which he can buy? For that reason I ask the people of the east, who have had good crops all these years and have received more for their agricultural products than we have, owing to their proximity to a market, to be more charitable in their views of the western people who are doing their best in a time of adversity to play their part as citizens of the country in which they live.

Now I desire to address myself to some remarks made by the hon. member for West Edmonton (Mr. Stewart) the other day with respect to the tariff. In his address he quoted the tariffs on certain textiles, but he was as far behind the times in doing so as his party always is. The figures he gave were prepared by a man named Deachman over a year ago. They were prepared by adding together all the items that could be charged against British textiles. They were wide of the truth when they were prepared. They included dumping exchange duties, the excise duty of 3 per cent charged on all imports, and the sales tax, which is not a duty at all but is imposed on domestic as well as on foreign goods. That gentleman did not omit from the figures as he prepared them one single item which he could think of, and while they may have been in some degree nearer the truth on the day they were compiled than they are to-day, the fact is that the dumping exchange duties were done away with long ago. So that the figures submitted by the hon. member for West Edmonton and the figures placed before the people of Saskatchewan last summer by the leader of the opposition (Mr. Mackenzie King) had, at the time they were given, absolutely no truth in them.

I have figures from the customs department with respect to the very goods dealt with by the hon. member for West Edmonton the other day. I am going to give in the first column the articles he referred to; in the second column the duty which he said was now imposed against these articles; and in the third column I will show what the duty really was according to the figures submitted by the Department of National Revenue on the 1st day of September 1933:

Article	Alleged Duty per cent	Actual Duty per cent
Cotton print, piece goods..	58·5	26·35
White cotton flannelette, bleached..	52	25·9
Wool piece goods..	64	42·7
Wool overcoatings..	93	40·9
High grade suitings.. ..	68	34·2
Wool hosiery..	82	34·61
Blankets..	78	33·4
Axminster carpets..	80	40·3

The hon. gentleman also quoted rates of duty on agricultural implements. He was correct in these, but he drew the same inference which the leader of the opposition attempted to draw all through the west, namely, that we had placed a burden on the backs of the farmers. The right hon. gentleman, standing on the platform one day in the summer at Estevan, made certain statements to this effect in an area where the people had lost four crops and the fifth was then being consumed by grasshoppers—the very area with respect to which, for six weeks in this house, he refused to consent to relief being afforded the farmers until the house was compelled to pass the measure by closure. Yet he stood on the platform there and said, "Had I been Prime Minister of Canada in the last three years you people would not be in the condition in which you are to-day." The contention was made throughout western Canada that the prices which the farmers have to pay for the things they buy are higher to-day than they were when the present government came into office. Let hon. gentlemen make no mistake about it; the farmers of western Canada know better than that.

I have a list of certain types of farm machinery used in western Canada, showing the prices in Brandon as they were in 1930 and as they were in 1933. Let me quote some of the figures:

	1930	1933
14-inch John Deere gang plough with 4-horse eveners..	$ 149 00	$ 136 50
Five-section diamond harrow complete with 1-piece pulley hitch drawbar..	33 90	33 90
Eight-foot outthrow Bissell disc harrow with 4-horse eveners.. ..	72 00	68 00
No. 241—7-foot 9-tooth field cultivator, stiff tooth, with 4-horse steel eveners..	113 50	108 50

	1930	1933
Model "C" manure spreader with 4-horse steel eveners	$ 204 00	$ 198 00
20-size Van Brunt drill with double disc ops.	249 50	212 50
15-27 John Deere model "D" tractor equipped to burn kerosene, distillate, or low cost fuel oil	1,170 00	940 00
No. 5—10-foot John Deere combine complete	1,716 00	1,450 00
No. 3—16-foot John Deere combine complete	2,405 00	1,600 00
25 x 42 Goodison all steel separator complete with feeder, blower, and perfection weigher and register	1,530 00	1,470 00

In addition to that the John Deere Plow Company sold these goods on the basis of wheat being worth 75 cents a bushel, and when wheat was at less than 75 cents they allowed a discount on the cash payment on their machinery, so that at times there was 13 per cent discount. So that far from adding to the burden of the farmers, and far from their goods costing them more in 1933 than in 1930, their goods cost less by large sums, besides which this government is now collecting a six per cent sales tax. The prices I have given I understand include the sales tax.

During the visit of the leader of the opposition to western Canada, when he began to appreciate the conditions facing the people there he grew very sympathetic and produced a great number of policies that he had forgotten about since 1921. I could imagine him as a modern Rip Van Winkle who had gone to sleep in 1921 with a 1919 platform or chart before him. He woke up in 1931 to find the 1919 platform as good as new because it had never been used. The famous chart had not even a pin prick on it. He came into that country under these conditions and told the farmers and other people that he was in favour of a national scheme of unemployment insurance, and further that they ought to have crop insurance to some extent at least against drought, insects and the other matters beyond the farmers' control. The right hon. gentleman promised these farmers things which he knew, or ought to have known perfectly well, were not within the power of himself or any dominion government to grant. Take crop insurance; hail insurance in some parts of that country costs 12 per cent—what would it cost to cover damage by grasshoppers and drought, to say nothing of the other plagues to which farm crops are subject?

Because of these promises I have gone to a little detail in getting the history of unemployment insurance in this country. In the first place, the promise of a national scheme of unemployment insurance was contained in the famous Liberal platform of 1919. Under pressure by the labour members from North Winnipeg and Winnipeg North Centre in 1926 a part of that paragraph that promised old age pensions was implemented by giving grants in aid to such provinces as desired to enter into the scheme. That is the only part of that paragraph that anything was done with at all. The principle of grants in aid, or the placing of money raised by dominion taxation in the hands of the provinces to be disbursed, was afterwards declared by the leader of the opposition to be a vicious principle, and no further attempt was made to carry that principle into legislation. But pressure came from the third party in the house to do something with regard to these matters; election time was coming on and it was necessary to do something. So in 1928 a motion regarding unemployment insurance was referred to the committee on industrial and international relations for investigation and report. A report of the committee as set out in the journals of the house dated May 16, 1928, reads in part as follows:

(1) That the necessity of a policy providing some method of unemployment insurance is one that will inevitably have to be dealt with before long as a solution in part of the industrial problems of the present day.

That sounded all right. Clause 2 accepted the principle of contributory unemployment insurance. Clause 3 reads:

That the evidence of the justice department makes it clear that the responsibility for such legislation rests on the provincial authorities; it being within their jurisdiction under the provisions of the British North America Act, but that it would be within the power of parliament to contribute by grant to such provinces as adopted such legislation, following the precedent set in the matter by technical education, highway construction and more recently the old age pension act.

But the theory of grants in aid having been declared to be a vicious principle, the report of the committee, although adopted by the house, was not followed up. The committee evidently knew the attitude of the government, because instead of recommending immediate action, they recommended by clause 7 that the matter be again referred to the committee on industrial and international relations at a subsequent year. In 1929 the question was again referred to the same committee, and the committee again endorsed the principle of unemployment insurance on a contributory basis. Clauses 2 and 3 of the report, however, read as follows:

(2) Your committee recognizes that while it is highly desirable that such legislation should be uniform in all the provinces and while social insurance has a federal aspect, nevertheless, according to the Department of Justice, under our constitution legislative jurisdiction in relation to the establishment of a compulsory system of unemployment insurance is vested exclusively in the provincial legislatures.

(3) Your committee finds that the provinces on being consulted by the Department of Labour with regard to their attitude towards the establishment of a general scheme, do not appear to be prepared to take immediate action.

There the matter was dropped. The committee recommended that the federal government be requested to bring the matter before the next dominion-provincial conference. I am informed that the question of unemployment insurance was one of the items dealt with at such a conference a year or two ago, and that the attitude of the provinces was that they are masters in their own house. so that in spite of all these facts, which are well known to the leader of the opposition, we find him during the summer going out into western Canada and telling the people that he is again favourable to a national system of unemployment insurance as well as crop insurance. Similar language was used by him in all parts of western Canada. That is the sort of remedy offered by him to people who are in misfortune; he knows perfectly well he has no power to carry out his promise but he hopes it may carry him into office at the next election. I submit that the only insurance that the leader of the opposition was interested in was the insurance of a job for himself on this side of the house after the next election; he was more interested in his success in that election than in the welfare of the people of western Canada.

In connection with that very question of unemployment insurance it might be well to remind the house that we have heard a great deal, during the last three or four years, about the number of unemployed in Canada. It is to be noted that figures furnished by the United States government indicate that during the last six years in which our predecessors were in office 436,000 Canadians migrated to the United States. They migrated there to get jobs that they could not get in Canada, even during the years of supposed prosperity under the last government. Had those 436,000 not been admitted to the United States during those six years our hon. friends opposite would have had a real unemployment problem on their hands before 1930. Unemployment did not originate in 1930. Hon. members know that in Saskatchewan before the provincial election in 1929, there were parades of unemployed to the Hon. Mr. Gardiner to ask him what he was going to do to take care of the unemployed in Regina. If they will read the press they will also know that the leaders of that parade were arrested the next day, brought before the magistrate, and imprisoned for vagrancy. That was the way they treated the unemployed when they were in office, but they are very nice and kind to them now that they are out.

I do not propose to go into very much detail with regard to the wheat agreement or the handling of the wheat by John I. McFarland on behalf of the central agency of the western pools. I would rather leave the speech of the hon. member for Melville (Mr. Motherwell) in that regard to the electors of Saskatchewan. They know what John I. McFarland has done; they know what it has meant to them.

Mr. YOUNG: They know more than we do.

Mr. TURNBULL: If my hon. friend were in touch with the farmers he would know also. They know that if it had not been for the operations of John I. McFarland, when they hauled a wagon load of wheat to the elevators to sell they would have been told, "Sorry, but we cannot buy your wheat, because we cannot resell it." It was only through the operations of John I. McFarland on the wheat exchange in Winnipeg that the farmers of Alberta, Saskatchewan and Manitoba were able to sell large quantities of their wheat at all. They might have put it in storage but they could not have found a purchaser for it except as the wheat moved for export. In that case the carry-over would have been on the hands of the farmers and the cash would have been in the hands of somebody else, instead of the carry-over being on the hands of somebody else and the cash in the pockets of the farmers.

With regard to the reduction in wheat acreage and with regard to the restriction of production, the minimum amount that we are permitted to sell under the agreement is 200,000,000 bushels. In three years since 1921, and including that year, our sales of wheat and wheat in the form of flour combined have been less than 200,000,000 bushels. In the last year that my hon. friends opposite were in office, the year when they had the advantage of those wide markets of which they have spoken, the year when France and Germany and Italy and Czechoslovakia and all the other countries to which we formerly sold wheat shut out our wheat from their markets in spite of the so called low tariff

policy of hon. gentlemen opposite, the total amount of wheat sold by Canada was 155,000,000 bushels. When we get a restriction agreement that permits us to sell 200,000,000 bushels it is said to be terrible, to be restricting the farmers' sales, but when other countries put up their tariffs against us, with no protest from hon. gentlemen opposite, so that we can sell only 155,000,000 bushels, that is friendship for the farming population.

There is one matter to which I should like to direct the attention of the Minister of Trade and Commerce (Mr. Stevens); that is the question of consumption. The average consumption of wheat in Canada and the United States has been rapidly decreasing. Very eminent gentlemen, who are authorities on dietetics and who are supposed to be in the pay of people outside of this country, are persuading people all through Canada and the United States that white bread is not good for them and that they ought to eat something else. I understand they even made an impression on some hon. gentlemen opposite during the vacation. In any event the average consumption of wheat in this country and the United States has been rapidly diminishing. At the present time we are consuming about four and a half bushels of wheat per capita in Canada. There are twelve countries, most of them large buyers of wheat from Canada, whose per capita consumption is greater than ours, and there are nineteen countries whose per capita consumption is less than it is in Canada. If the 130,000,000 people living on the North American continent were to increase their consumption of wheat by one bushel per capita we would have 130,000,000 bushels of this carry-over taken care of at once, and I am told that about one slice of white bread eaten every day will do it.

My suggestion to the Minister of Trade and Commerce is that he get in touch with the national recovery administration in the United States to see whether between the two governments, by an advertising campaign of some kind—a "use more wheat" campaign if you like—you cannot persuade the people of these two countries, as part of the national recovery campaign, to use more bread and in that way assist the agricultural population. Since we have large numbers of United States magazines coming into this country, an advertising campaign carried on by this medium would give cheap advertising in Canada so far as we are concerned.

Having dealt with these matters I wish to touch for a moment or two on the question of national recovery. We are asked from time to time why we do not do the things that are being done in the United States of America. We are asked why we have not had codes in industry, why we have not set hours in labour, why we have not set rates of pay and so on. There is a simple answer to all these questions, even if they were good things to do. The simple answer is that the Dominion government has not the legislative authority with which to take any of these steps. It is asked "Why do you not do it under the peace, order and good government clauses?" The peace, order and good government clauses of the British North America Act do not transfer legislative jurisdiction from the various provinces to the dominion at all; they provide for the peace, order and good government of this country within the limits of the jurisdiction of the Dominion government. It is true that in time of war the legislative jurisdiction of the Dominion government is greatly enlarged in order to deal with those matters that are necessary in order to carry a war to a conclusion, but they do not go the extent of allowing the Dominion government, in time of peace, to usurp any of the functions of the provincial governments.

There are those who sneer at the idea that the British North America Act stands in the way of some things that it may be thought desirable to have done. I heard an hon. member say the other day that the British North America Act was used by the party in power as a shield with which to shelter itself from the need for taking action, no matter which party was in power. I have just read the report of the committee of the house, which at that time was under the chairmanship of the hon. member for North Battleford (Mr. McIntosh), and which, though composed mostly of Liberals, also had represented in its membership Conservatives and gentlemen from the third party in this house. The committee concurred unanimously in the view that unemployment insurance was purely a question of provincial jurisdiction.

Mr. McINTOSH: There is no question about that.

Mr. TURNBULL: Absolutely not, yet hon. gentlemen get up in this house and condemn the government because they do not bring in a bill dealing with unemployment insurance, and in addition we hear those same hon. gentlemen promise that when they get back into power they will do so, though as my hon. friend says there is absolutely no doubt that this parliament has not the power to take that action.

An hon. MEMBER: What about old age pensions?

Mr. TURNBULL: The same was true with regard to old age pensions as a federal scheme. Possibly unemployment insurance can be handled in the same way, provided the provinces are agreeable to having it done in that way and provided we can get away from the idea that it is a vicious principle for the Dominion government to raise money by taxation and allow the provincial governments to spend it. I am somewhat in agreement with the right hon. leader of the opposition (Mr. Mackenzie King) in that regard. I think the proper way is not to try to get around the constitution but rather to try to amend the constitution. If it should be a matter of federal responsibility let us amend the constitution and make it a federal responsibility, and then we will not need subterfuges in order to attain the desired end.

The question of national recovery is bound up with questions of monetary policy. Perhaps so far as that is concerned the Dominion government has the legislative jurisdiction, but monetary policy is not the only thing to be considered. This country will not be restored to its one time prosperity by monetary policy alone, neither will it be restored just by the setting up of a central bank. There are those who believe that once a central bank is set up everything will be all right, that anyone who wants money will be able to get it in a bundle. One of the leaders of the C.C.F. party in Saskatchewan said that their policy would be to provide all the money desired by those who produced goods as well as all the money desired by those who purchased the goods. But there is more than monetary policy involved; there is the question of distribution and the marketing of goods. That is both an internal and external question; it has to do both with our domestic and foreign markets. The jurisdiction is divided in that case; the Dominion government has control of exports while the provincial governments have control of marketing within their own borders, and that is another item that must be taken into consideration in considering the question of national recovery.

There is also an economic policy to be considered; the control of production, if that is thought to be essential; the regulation of production, if that is thought to be essential, and the establishment of credits, if that is thought to be essential. I am told there are industries in this Dominion of Canada which already have established codes of their own—it may be one of those things that we hear called combines, but there are combines which, if they conduct themselves in the interests of the public, are very desirable—and such industries in Canada as have established codes of their own, have thereby regulated their own business in such a way that their products are on the markets of Canada at less money than they were when they followed a policy of ruthless competition instead of one under which they regulate production among themselves.

Then there is the question as to what part industrial relationships should play in the national recovery. The question of hours of labour, rates of pay, insurance against ill health, insurance against accident, insurance against unemployment—these are matters which must be dealt with if a general national recovery is to be brought about. There is the matter of social relationships, and the question of pensions, whether they be war pensions, old age pensions or any other kind. All these are matters in connection with which there is divided jurisdiction.

Then, there is the question of taxation which ought to be considered, and that of the dominion raising money by taxes and giving it to the provinces to be spent. There is the question of the field of taxation. Let us for example consider the income tax. As a western member let me state that in the province from which I come there is an income tax for federal purposes, and one for provincial purposes. Both those income taxes bear heavily upon the western members. It costs us money to come to Ottawa to live and to earn our sessional indemnity. While a commercial traveller is allowed his expenses while away from home, a member of the House of Commons is not allowed those expenses by the federal government. The provinces have followed the lead of the dominion, and the result is that so far as sessional indemnity is concerned members from Saskatchewan are assessed twice on their gross incomes rather than once on their net incomes. So that there is the question of income tax.

The fact of the matter is that the Dominion government is being asked in all parts of Canada to stage a national recovery while the powers essential to such recovery are largely in the hands of provincial legislatures. The position is an impossible one. In the year 1934 the scheme of things in Canada is entirely changed from what it was in 1867. There have been improvements in transportation, improvements in communication, and a closer relationship between the people in different parts of the country, with the result

that matters which were formely of local and private concern or interest are now dominion-wide in their scope and extent. The scheme which was wise in 1867 and which operated under conditions prevailing in that year and many years since may not be wise to-day. In those days people lived in communities separated from each other; they had their individual problems which did not infringe on the individual problems of others; they could take care of their own difficulties in a local way. But now our country is bound together by business relationships, communications and transportation; things which formerly affected the people of only one province now affect the dominion as a whole. The production of wheat in Saskatchewan, a local and private matter having to do with property and civil rights, is one which profoundly affects the whole dominion. It is a matter with which the Prime Minister of Canada could not deal at the conference in London until he had before him the request of the three prairie provinces so to deal with it. And when any person says, Mr. Speaker, that this wheat agreement arrived at in London is the result of a Tory policy of restriction, let me say to him that it is the result of the combined requests of a Farmer government in Alberta, a Conservative-Farmer government in Saskatchewan, and a Farmer-Liberal government in Manitoba. The Dominion government in carrying out its policy was only carrying out the policy asked for by those three prairie provinces through their representative, Major MacPherson, whose signature is affixed to the wheat agreement.

The question of reduction of acreage, if there is any reduction—I do not believe there will be—is a matter for the provinces to handle. Again we are dealing with a question of property and civil rights, a point which the provinces fully realize. There are those who used to say that the Prime Minister of Canada was an economic nationalist. A few years later when we got the imperial treaties these people broadened their views and stated that he was an economic imperialist. In the course of a few more years they may get further wisdom and describe him as he really is. The fact is that only two international conferences in the last ten years have been successful and have resulted in action, the imperial economic conference of 1932, and the wheat conference in London in 1933. Strange to say, the man who is said not to want to have any truck or trade with his neighbours, the man who has been referred to as an economic nationalist, was chairman of both those conferences.

The necessity for national recovery is apparent to everybody. Before this federal government can bring about national recovery it must have legislative jurisdiction placed in its hands. In 1934 we need more centralized authority than we did in 1867, all of which brings me to the point that a thorough revision of the British North America Act with regard to the respective legislative jurisdictions of the dominion and the provinces is long overdue. The field of legislative jurisdiction and the field of taxation ought to be reexamined in the light of present circumstances. The fullest protection as now provided for in the act should be given to minorities, but with respect to monetary, economic, social and industrial relationships there should be a revision of the whole scheme of affairs so that the central authority should have control over those things which have a bearing upon the welfare of Canada as a whole. I am of the opinion that the sooner we set about making this change the better.

Unfortunately there are some who hold the view that if one province dissents from an amendment to the British North America Act there can be no amendment. I believe the sooner we get away from that idea the better. We must get down to the point where we will think that even with respect to the British North America Act—and I understand fully the contractual argument—we are dealing with more than a matter of contract among the provinces. In the interests of a minority province whose economic welfare depends upon the welfare of the dominion as a whole I submit that the majority should rule, and that the act should be revised and revamped in all its phases touching upon the welfare of the dominion as a whole, regardless of whether or not one or two provinces hold out against such revision.

I wish to congratulate the government upon the improvement which has taken place in Canada in the last eight months. I do not say that the improvement is due entirely to the action of the government, because we know that world conditions affect our country as all others. I congratulate the government because in a time of stress it has stood firmly through adversity, has led the Canadian people on the right path, and, more than that, has kept the Canadian people from straying into by-ways so that when world recovery, assisted by our legislative scheme, is brought about, we may be in a position to play a large part in it. We are making as much progress as any other country in the world. We are increasing our exports and our imports. We

are increasing our exports to the empire and our imports from it. To hon. members who say that because we have done that we have prevented ourselves from trading with the rest of the world, let me say that we are increasing our exports to and our imports from the rest of the world. In all phases we are adding to our prosperity. When the day comes that western Canada can produce again a crop of wheat—they will do it again—and when they add to their wheat production the live stock they are producing to-day, it will be surprising how fast the wheels of industry will begin to turn in the east and how fast the people of the west will begin to pay their debts and again take their places among the prosperous provinces of Canada.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, there is only one remark of the hon. gentleman who has just spoken (Mr. Turnbull) to which I wish to direct the attention of the house. He said that in the spring of 1932, when the relief bill was before the house, the right hon. leader of the opposition (Mr. Mackenzie King) by his opposition to that bill prevented the farmers of western Canada who had been dried out the year before and needed seed, from getting their seed for six weeks. My hon. friend is not well informed on that matter.

It will be recalled that in the summer of 1931, when it was first realized that the entire western prairie country was to have no crop and likely no seed in the country next year, the government took the precaution of buying what wheat there was in the country and holding it for distribution amongst the farmers the following spring. In the spring of 1932, when the relief bill was before this house and members on this side were opposing it through a protracted debate, it was freely said from the other side that the farmers of western Canada would not get their seed until that bill passed. I am going to be kinder to the Prime Minister and the government than the hon. member for Regina (Mr. Turnbull) was, because with all his faults the Prime Minister (Mr. Bennett) was not guilty of doing the thing of which the hon. member accuses him. During that debate I had occasion to go west, and when I arrived the snow was still on the ground, the frost had not yet come out, no work had commenced on the land, but the farmers were drawing their seed home from the elevators, and getting it from the Saskatchewan relief commission, and when I came back I found that the same debate was still going on; and so I say I am kinder to the Prime Minister than was the hon. member for Regina. I do not accuse him of depriving the farmers of the west of seed grain until the opposition yielded and allowed the bill to pass.

As I listened the other day to the Prime Minister, he gave us figure after figure, tables and columns of figures, to prove that at last we were turning the corner and that prosperity was beginning to dawn upon us, until I began to wonder if it was really so. But afterwards, studying the figures carefully in Hansard, I was not so sure of it. At page 63 of Hansard the Prime Minister gives us four tables comparing conditions in Canada with conditions in other countries. The object of giving us this table was to prove that if conditions are bad here they are at least as bad elsewhere. They tell us that misery loves company, that a person can always find some consolation from contemplating others who are as badly off as himself but that has well been described as the "consolation of the damned." It is true that the rest of the world is in distress, but if that teaches us anything, if we can learn anything from the four tables that appear on page 63 of Hansard, it is that the world is a unit, that if one country suffers we all suffer, that if one country prospers we all prosper. When we hurt one country we hurt all countries. When we strangle trade with one country we strangle our own trade. After studying these tables which the Prime Minister submitted I hope that he will never again stand up on a public platform in this country and boast that he is strangling the trade of the foreigner.

On the next page, 64, the Prime Minister submits a table showing improvement figures based on actual quantities; to prove his statement that conditions were getting better in this country, he gives the figures for February, November and December, all in the same year, and right at the top of the table appear the words "No adjustment for seasonal variations." To prove the country is prosperous the Prime Minister shows that in February of last year we imported six million pounds of raw cotton, in November nineteen million pounds, and in December nearly twenty million pounds. Well, anybody would expect that our cotton manufacturers would bring in more cotton in the fall, when raw cotton comes on the market, than in February, after the market has been supplied. The Prime Minister does not compare the same months in different years. He compares different months in the same year, and the table is of no value whatever.

But if this table were an indication that trade is improving, it is also an indication

that trade has gone the other way. The figures which he submits in most instances show an improvement from February to November, and then a very decided reaction from November to December. Take newsprint production, for instance. The figures show that our production in February was 125,000 tons, in November 193,000 tons, and in December 175,000 tons. Of planks and boards our exports in February were 37,000,000 feet; in November 102,000,000; in December 99,000,000; copper exports, February 1,326,000 pounds, November 4,498,000, and then the figure dropped in December to less than 2,000,000 pounds; nickel exports, February 3,000,000 pounds, November 8,500,000, and then a drop to 6,500,000 in December; carloadings, February 133,000, November 201,000, and then a drop to 157,000 in December; bank debits, February $1,830,000,000, November $2,837,000,000, and then down to $2,491,000,000, in December, or a decline of nearly $350,000,000; contracts awarded, February $3,000,000, November $10,000,000, and then only $8,000,000 for December. So I say that this table which the Prime Minister has submitted as a sign of prosperity is no indication of prosperity because although it shows an improvement from February to November, it also shows a sharp decline from November to December.

On the same page the Prime Minister gives a table showing the wholesale prices of Canadian farm products, indicating that the average price for the year 1932 was 48·4 per cent of what it was in 1926, and that in 1933 it was 51 per cent. But he makes no allowance for the fact that our dollar in the meantime had gone down from 88 cents in gold to 73 cents in gold, and if you make allowance for that difference, then in order to hold our own the average price for 1933 should have been 56½ per cent instead of 51 per cent.

Turning over to page 68 of the Prime Minister's speech, there he gives another example of returning prosperity. He says that he knows one merchant in the city of Ottawa who told him that December was the best month he had had in six years for cash business. But that is no indication of anything. It would be strange indeed if somebody was not doing better than others in this depression. What kind of a merchant was this? It might have been a coal dealer for all we know, and anybody who knows the kind of weather we had here in December will realize that a coal dealer would certainly do more business in that month than in the same month in any of the previous six years.

[Mr. Young.]

On page 70 the Prime Minister says that our exports in 1933 amounted to $531,474,000 as compared with $493,808,841 in 1932. Here again he makes no allowance for the changed value of our dollar. Let us bring those figures to a common denominator and measure them by the unvarying yardstick of gold. Our dollar in 1932 was worth 88 cents in gold; that is the average price for the year; its average price for the year 1933 was 73 cents in gold. Therefore in 1932, when our dollar was worth 88 cents in gold, our exports amounted to $434,551,000, and in the next year, 1933, when our dollar was worth 73 cents in gold, our exports really amounted to only $387,000,000, when you take into account the changed value of the dollar, and that is a very decided reduction when measured by the unvarying yardstick of gold.

On the same page of Hansard the Prime Minister says:

> But there is something more than that. The principal fall in our external trade has been with the United States of America.

Further on he says, referring to the Americans:

> They have raised almost prohibitive tariffs against the world. They have declined to permit other countries to find markets in their country, and they expect to find markets in ours.

In all the years I have been here I have been trying to denounce the tariff policy of hon. gentlemen opposite, but I have never been able to frame a sentence which so clearly and concisely damns the policy of this government. Let us change the pronoun and we will find that it applies with equal truth. Instead of "they," let us put in "we," and it will read this way:

> We have raised almost prohibitive tariffs against the world. We have declined to permit other countries to find markets in our country, and we expect to find markets in theirs.

Did any hon. member on this side ever draw up such a damning indictment of the government's policy as that?

While I am speaking on trade with the United States, let me give a few figures. We have been told repeatedly, especially when we were in office, that this country had an adverse trade balance with that country of some $300,000,000 per year, that we were buying that much more from them than they were buying from us. It was then claimed that the right hon. gentleman would put a stop to that when he got into power. The figures given were substantially true. For the two years 1928 and 1929 our total imports from the United States amounted to $1,715,000,000 and our total exports to that country during

the same two years amounted to $1,057,000,000, leaving a so-called adverse trade balance of $658,000,000 for the two years. Let us look at the figures for our trade with the whole world. During the same two years our exports to the whole world amounted to $2,533,000,000 and our imports amounted to $2,513,000,000. That is, our exports and imports to and from the whole world were almost in exact balance, one almost exactly paid for the other. But our exports to the United States were $658,000,000 less than our imports. What did that mean? It meant that while we were buying more from the United States, we were buying less from other countries, and our exports to the whole world were just about paying for our imports. You will recall that 1928 and 1929 were the years when the American people were extending enormous credits to the people of Europe. The people of Europe were using those credits to buy our wheat, our lumber, our newsprint, our surplus manufactured goods and so on. They could not pay for them with their own money, but the Americans had extended credit to them and said: "Go ahead; buy Canadian wheat, buy Canadian lumber, buy Canadian newsprint, buy Canadian mineral products and so on and we will pay for them." And they did. We sold our products to Europe and we received payment from the United States. We received payment in goods—the kind of goods we wanted—and that was the thing that hon. gentlemen opposite complained of; that was the thing they said they would stop. That is the thing that has been stopped. When the people of Europe could not obtain any more credit in the United States, when the United States would no longer pay for the goods that Europe was buying from us, then we could not sell our surplus products. Yet my hon. friends glory in the ruin they have wrought.

Let us now consider the wheat agreement. On page 75 of Hansard the Prime Minister is reported as quoting a telegram which he received from the premiers of the prairie provinces. I shall read only the third paragraph, which is:

> That in view of the present large world surplus of wheat and the present prospect of a further large Canadian crop, some plan of curtailment of wheat production in or exports from the four principal exporting countries is essential to any such price increase;

It is upon that telegram that the wheat agreement has been based. The Prime Minister went over to the economic conference and because he had been advised by the provincial premiers that there was a surplus of wheat in the world, that because of that surplus we could not sell our wheat and it was advisable to curtail production, he took part in the proceedings which resulted in the wheat agreement. Since the opening of this session he has been good enough to place in our hands a pamphlet setting forth the reasons why this wheat agreement is necessary. I shall not take the trouble to read from the pamphlet, but I have made a synopsis of the figures which are to be found on page 8. This pamphlet is the strongest case that could be made out in support of the world agreement. It states that during the thirty years, from 1885 to 1915 the world wheat acreage increased by 100,000,000 acres, an average increase of three and one-third million acres per annum, and that world production in the same time increased by 2,000,000,000 bushels, an average increase of over 66,000,000 bushels per annum. The pamphlet also tells us that that increase was just about enough to take care of the steadily increasing requirements of the world for no surplus had been built up during all those years. From 1915 to 1922 the world wheat acreage decreased by 41,000,000 acres while production decreased by 850,000,000 bushels. In the next ten years, from 1922 to 1932, the world acreage increased by 75,000,000 acres as compared with the 1922 figure, or 34,000,000 acres more than it was in 1915. Had the normal rate of increase continued from 1915 to 1932, the increase would have been 57,000,000 acres. As it was, the acreage in 1932 was only 34,000,000 acres more than it was in 1915. World production in 1932 had increased 800,000,000 bushels above what it was in 1922, but it must be remembered that in 1922 it was down 850,000,000 bushels. The production in 1932 was 50,000,000 bushels less than in 1915. The production figures are not yet complete for 1933-34, but it is estimated that it will be 175,000,000 bushels less than in 1932. The total production for 1933-34 will be 225,000,000 bushels less than in 1915. Under normal conditions there should have been an increase of 1,250,000,000 bushels in that time, and the world would have been able to take care of it.

Mr. PERLEY (Qu'Appelle): What does that prove?

Mr. YOUNG: It proves that this so-called surplus of wheat is mythical—that there is no surplus. But wheat is not the only food of the human race. People might be eating less wheat and more of something else and production might swing from wheat to rye, from wheat to barley or from wheat to some-

thing else. In order to get a true picture we must consider not the question of whether there is too much wheat in the world, but whether there is too much food in the world. I have before me the figures for the world production of wheat, oats, barley, rye and potatoes, the five principal foods of the white races. World production in these five foods for the year 1932 amounted to 15,490,000,000 bushels. The average world production of the same foods for the five years from 1926 to 1930 was 18,498,000,000 bushels. In other words, instead of being up, the world production of food in 1932 had decreased 16 per cent below the average. The figures for 1931 reveal the fact that the production for that year was 20 per cent below the average.

In the light of these figures how can anyone say that there is an over-production of wheat in the world? Last year the Minister of Trade and Commerce (Mr. Stevens) stood in his place in the house and told us that the surplus was rapidly disappearing, that the vast quantities of wheat which the farmers of Europe were in the habit of carrying in the stack and which represented a vast invisible supply had disappeared. The Minister of Trade and Commerce was right when he said that the surplus was largely disappearing, and the time that scarcity is going to overtake us is a year closer than it was when that statement was made. I notice that the minister has not been in his seat while this wheat agreement has been under discussion. I do not blame him because I believe that in his heart he knows there is neither a surplus wheat nor an overproduction. A thousand million people in the world are not getting enough to eat. Give each one of them an extra slice of bread three times a day and the so-called surplus will disappear over night. Some day soon the people of the world are going to wake up to the fact that the world is facing a wheat shortage, that we are actually on the verge of famine. Then the people will rise and demand from their governments an explanation as to why they were not allowed to buy the wheat they needed when the people in other countries were willing to sell it; and the people of this country will rise and demand an explanation as to why this government did not allow us to buy the manufactured goods we needed and which the people of Europe were willing to give in exchange for our wheat.

The trouble is not overproduction of wheat. We must seek the cause elsewhere, and it is to be found in the fact that the governments of the world will not allow their people to buy it, and the governments of the countries that have wheat to sell will not allow their people to accept goods in exchange for it. The solution of the wheat problem is not to curtail acreage but to find some way of breaking down these barriers that prevent wheat from flowing where it is needed and that stop other goods from coming back in payment for it.

In the prairie section of this country we have only one possible source of wealth, namely, our land. Our soil and our climate are preeminently suited to the growing of wheat. In spite of the fact that we are further from seaboard than any other wheat producing country in the world, we have succeeded in growing wheat and putting it on the world market in competition with all countries. We have met with some measure of success growing it. We have demonstrated our ability to make a living at it, but we have not demonstrated our ability to make a living at anything else. Those who tell us to stop growing grain and go in for mixed farming do not know what they are talking about. The country is, as I say, preeminently suited to the growing of wheat and nothing else, and now we are being asked to abandon the one thing that we can do. To what else can we turn? There is nothing else we can make a living at, and because governments in some other countries are trying to force upon their people an uneconomic policy of trying to feed themselves we are asked to abandon the one thing that we can do. Has any one really practical suggestion been offered by anybody who supports this agreement as to how it will be carried out? How will you enforce it? Are you going to go to each individual farmer and tell him to sow so many acres less, leaving the rest of his land to grow weeds? Are you going to compensate the farmer, or are you going to tell him to go ahead and grow all the wheat he likes and then refuse to allow him to sell it? And how will you apportion it? Not one practical suggestion has been offered by anyone supporting the agreement as to how it will be carried out. We have an exhibition in Saskatchewan at the present time of the incompetence of governments. The provincial government is sending out one set of officials to advise the farmers to get busy and prepare to fight the grasshopper plague—because we have twenty-two million acres infested with grasshopper eggs—one set of officials, I say, going out telling the people to fight the grasshoppers lest they destroy the crops, and now another set of officials going out advising the farmers to destroy the crops themselves. This is an example of planned economy—planning done by the state.

In my opinion there is no way of carrying out the agreement except by some form of centralized marketing under government control, and I wonder how many hon. gentlemen opposite are in favour of the centralized marketing of wheat. How many are in favour of the government taking hold and doing all the marketing? Every government in the world during the past several years has been doing its level best to raise the price of wheat. They have raised tariffs, imposed embargoes, granted bounties, enforced milling restrictions —have done everything conceivable to increase the price of wheat. And the net result of all their activities is the lowest price in history. Can we never learn anything from experience? Surely it is time for the peoples of the world to tell their governments to get out of the way and let wheat prices find their own level.

An hon. MEMBER: As was done in the paper business.

Mr. YOUNG: It was government privilege that put the paper industry in the mess it is in now. So much for the wheat agreement.

There are one or two other matters in the speech from the throne to which I would direct the attention of the house. Mention is made of an attempt to provide intermediate or short term credits for agriculture. It seems to me that if we want to provide intermediate or short term or long term or any other sort of credits for agriculture the first thing to do is to make it possible for agriculture to pay its debts. No one will lend money to the farmer to grow crops that will not pay the expense of growing. The money we pay in interest on our debts is not all interest. Part of it is interest on the money borrowed, part of it is the cost of rendering the service and part of it is insurance against loss. The greater the risk the greater the cost of insurance against loss, and if you want to reduce interest rates the first thing to do is to make the loan safe, and that portion which we call interest, which really goes to cover the risk, will disappear. Then it will be easier to get money, and when money is easier to get, when there is more competition in lending, then the cost of the service will come down and interest also will decline. The first and only way to bring down the rate of interest to farmers is to put the farmers in a position to repay the loans they obtain.

Then there is a proposal to try to relieve unemployment by launching an extensive program of public works, and it is generally believed that this will be paid for by the printing of new money. I was startled when the announcement appeared in the press that the Prime Minister would adopt that policy. A week later, speaking in Vancouver, he said that they would have to do some serious thinking before they ventured on such a policy. I hope he has done that very serious thinking. The question arises—Can you relieve unemployment by creating public works? Do you not create as much unemployment as you relieve? In the first place, no program of public works that can possibly be launched in this country will reach all the unemployed. Unemployed are to be found in every nook and corner of the country. You cannot create public works everywhere, and if you take men away from their homes and put them to work on public works you place them under the necessity of paying their board in one section of the country and keeping their homes in another place. Their expenses will eat up their wages and there will be nothing left for them to support their families at home. If you pay for the public works by a direct tax on the people, you take the money out of one man's pocket and put it into another man's, and the man out of whose pocket you take it can buy that much less goods; he buys as much less as the other buys more. You cannot solve unemployment by taking money out of one man's pocket and putting it into somebody else's, because in increasing the purchasing power of the one you are reducing the purchasing power of the other. The way to solve unemployment is to create a demand for goods the production of which will give employment to the people. You must increase the purchasing power of the people, but when you collect taxes from one set of people and give them to another set you reduce the purchasing power of the first set of people by a slightly larger amount than you increase the purchasing power of the others. If you issue bonds, borrowing the money, there is a possibility of bringing into circulation some money that might otherwise be lying idle, but in that event you saddle yourself with interest charges. But suppose you do what it is generally expected will be done—simply print new money? What do you do then? You simply add water to the soup, you only thin it out. For with the same quantity of goods in the country to be consumed, and a little more money to buy them with, it just takes a little more money to buy them. The man who gets this new money simply buys goods that otherwise would be bought by others. There is a danger too in creating public works that we saddle ourselves with a maintenance cost which we will

find it very difficult later on to carry. I know we have to see that no one starves; we cannot allow people to starve in our midst; we cannot allow undue suffering, but the condition in this country to-day is so serious that the work of relief must be done in the cheapest possible way, and our experience in the past has been that the creation of public works is not the cheapest possible way. We know from our experience in the first year that it took $4 from the treasury to put $1 into the pocket of the workingman. Perhaps that was an overstatement, for the other $3 did not all go into profits and capital; it went in part to pay wages to those who produced the materials bought. But it has been found everywhere that the creation of public works is the most expensive form of relief you can dispense. Perhaps there are some kinds of public works that would not saddle us with maintenance costs later on, that perhaps might even be revenue producing. We might spend money draining marshlands, making them fit for cultivation, or perhaps improving our forests. We might even try the experiment of reforestation, that would give employment for the time being and perhaps produce revenue later on. There are places where perhaps we could catch the spring run-off of water and hold it against the dry seasons. But speaking broadly the cheapest way to handle the unemployment situation is by paying direct relief, and the finances of this country will not stand relief in any other but the cheapest way.

One other matter, that of the central bank. We are to have a central bank; the Macmillan commission has recommended it; the government is pledged to it, the opposition and the third party all seem disposed to have it. Then the question arises: What kind of central bank are we going to have, and how are we going to run it? I think a great many people are due for disappointment when the central bank comes into being. There are those who think that the central bank is going to force the other banks to lend us money whether we are likely to be able to pay it back or not. There are others who say a central bank is one where the government can get all the money it wants without taxing the people. I heard it said that a central bank is one where a municipality can go with its tax roll and deposit the roll and get the cash instead of collecting the taxes. All these fantastic ideas prevail. What we must remember is that after we get our central bank it will not be able to create wealth out of nothing. It will have to be run by ordinary fallible individuals like ourselves, and the problem will be how to find the very best men to run it; men with understanding, men with courage, men of character. I want to give this piece of advice to the government, that the directors of this bank should be so chosen that neither the government, nor the banks, nor the big financial interests, nor the captains of industry so-called, nor anybody else will be in a position to put undue pressure on them.

Mr. LAPOINTE: Hear, hear.

Mr. YOUNG: That I think is the best advice I can give the government in regard to a central bank.

Mr. ERRICK F. WILLIS (Souris): I desire at the outset, Mr. Speaker, to compliment the two gentlemen who moved and seconded the address in reply. I desire to do this particularly in view of the fact that the theme of my address will not be entirely complimentary. I listened to the hon. member for Weyburn (Mr. Young), who has just taken his seat, make the usual address in regard to free trade in this country, which I have heard on so many occasions. The hon. member criticized the Prime Minister (Mr. Bennett) because the Prime Minister dared to point out that there is distress in other places besides Canada, and also that the leader of the opposition (Mr. Mackenzie King) had never happened to mention that fact. The hon. member for Weyburn should get together with the hon. member for West Edmonton (Mr. Stewart) because they made two speeches entirely contradictory of each other. That, I suppose is due to the policies of Liberalism, which embraces high-protectionism, Progressivism, Liberalism, and other isms—

Mr. YOUNG: And two Conservative parties.

Mr. WILLIS: The hon. member for Weyburn said the fact that the retail stores of this country are selling more than usual meant nothing. That is the sort of argument he advances. When the retail stores sell more goods while the Conservatives are in power it means nothing, but when the Liberals were in power their leader could tour this country and tell people that retailers were selling more, and therefore the country was prosperous.

The hon. member for Weyburn says the wheat surplus is a myth. That will be news to the people of western Canada. Again I refer him to the hon. member for West Edmonton who in loud and vociferous terms the other evening damned this government completely because there is this overproduction and surplus. So all I can say to the hon. member for Weyburn is: "You boys get together."

I cannot complete my reference to the hon. member without paying him at least one compliment. I believe as he does that public works will not satisfy the conditions which we have in this country. Public works themselves, while they have value in certain districts, will not entirely relieve unemployment in this country.

I only desire to make one more correction in regard to the address of the hon. member for Weyburn. He referred to himself as a fallible person, or themselves as fallible persons. I should like him to remember that although they may be fallible, all the persons in this country are not gullible.

I desire to refer to two addresses made in this house. I apologize to you, Mr. Speaker, for making this address, but I had not intended to make it until I read the speech of the hon. member for Lisgar (Mr. Brown); so if there is any blame attaching in regard to the remarks which I am now making let it rest upon his head.

Let me refer first to one or two remarks of the hon. member for West Edmonton, who the other evening delivered an address of great volume. He referred, as reported on page 136 of Hansard, to the fact that this government, while it did implement its promise in regard to the construction of public works to relieve unemployment, subsequently turned to the dole, and therefore in his opinion it should be thrown out of office. But the hon. member for Weyburn says the dole is the only policy; that for this purpose public works cannot be satisfactorily undertaken. Again I say to the hon. member for Weyburn and the hon. member for West Edmonton: "You boys get together."

The hon. member for West Edmonton says that because of the great natural resources of this country we should have none of the present difficulties. I recall the story of a gentleman who went to the old country and was to make an address to a group of businessmen. He asked one gentleman what it was he should say, and the Englishman replied: "Far be it from me to advise you, except to this extent: for goodness sake don't mention those great natural resources of your country." But the hon. member for West Edmonton feels that the people are still gullible and can still be told these things.

The hon. member for West Edmonton condemns a former member of this house who is now on the tariff board because he had the audacity to say that the Liberal party increased the tariff of this country. For that reason he is to be condemned, in spite of the fact that statistics for any year will prove to anyone who desires to look at the figures that time and again in this house his statement has been proven to be true. One is surprised to hear the addresses of the hon. member for Weyburn in regard to tariffs in this country when that government of which he was a part, increased tariffs during their regime after having promised that they would lower them. One hears strange stories in that regard.

Mr. YOUNG: Strange stories of a speech in Toronto.

Mr. WILLIS: Yes, I am coming to that, and it is no strange story. I am surprised that the hon. member should harp continuously on the same theme when he knows that the government of which he was a part increased tariffs after having promised not to do so. If the hon. member has any doubts in that regard, let him try to get the portfolio of national revenue in a Liberal government in this country. Let the hon. member for Lisgar (Mr. Brown) try to get the portfolio of trade and commerce in any Liberal government. No, they would have no chance. The Liberal party takes no chances in regard to the tariff; they place in those positions the millionaires of eastern Canada in order to safeguard the interests of the east. May I say to you gentlemen who parade your virtues with regard to free trade throughout western Canada that every government that comes into power in Canada will do precisely the same thing, and if you think the people are so gullible as to swallow that again, then I say that so far as my people are concerned they will not do so. Look at those who are independent in politics in this country; go to the farmers' group in Alberta and ask them what they think in regard to the tariff question no matter whether they were Liberals or Conservatives previously.

The hon. member for West Edmonton quoted many statistics which were furnished by a friend of the hon. member for Weyburn, all of which proved to be untrue and incorrect. I suppose that is the usual line of argument that has been advanced in the past.

Again, and another strange thing, the hon. member for West Edmonton seems to condemn the group which sits to his left. Here is what he says:

> I want to say to my hon. friend—

That was the hon. member for Wetaskiwin (Mr. Irvine) to whom he was speaking.

> —that his fears, and the fears of the gentlemen who support him, that they may be in any way contaminated by association with the Liberal party, may be set at rest at once.

Isn't that good? The good old Liberal party says to the farm groups of Alberta: "You are terrible; we will have nothing

whatever to do with you gentlemen." It says to the farm groups of Saskatchewan: "We will not have a thing to do with you; we will condemn you on every platform in Canada." Then it comes to Manitoba and says to the United Farmers of Manitoba: "We are all for you; you are all good boys. Come into our party." So they came into the party, and they are still there.

Let us follow along the speech of the hon member for West Edmonton and see a few more of the difficulties into which he got. He was speaking in regard to protection and the fact that the wages paid in the factories were not very high. He said:

> I am astonished to learn that the lowest scale of wages in the history of those industries is now in effect.

He was speaking of the silk industry and others. In Cornwall in the rayon silk industry the lowest wages now paid are $12.50 per week, which is more than some school teachers are being paid. In spite of that fact the hon. member makes that sort of statement in this house. He must have thought he was out on the hustings in western Canada. Then in another paragraph he says:

> The government was told that if they gave this measure of protection it would never reach the employee. It never does, it goes in excessive profits to the manufacturer himself.

I suppose when the hon. member made that statement he had in mind the furniture industry, which was given a protection of 52 per cent under his government; therefore he had a very intimate knowledge in regard to the excess profits gained by manufacturers under the administration of his party. The hon. member went on to say that this government is not thinking at all of the farmers of western Canada. In reply may I say that this has been proven untrue time and again. I am sorry the hon. member has not read my recent speeches on the subject; I suppose I cannot blame him for that, but I would refer him to my address of March 31, 1933, when I took forty minutes to prove that this government had done more for agriculture than any other government we ever had in Canada.

The hon. gentleman went on to condemn the Ottawa agreements, and finally he said:

> I have lived in western Canada for over twenty-six years, Mr. Speaker, and I have never known the people to be so incensed as they are to-day.

Let me say to the hon. gentleman that I have lived in western Canada much longer than he has. I come from a district where they have not had crops for four years; I visit my people every year and hold from fifteen to twenty-five meetings, and I never saw the people more willing to listen to a discussion of the affairs of their country or more lacking in heat and recrimination than they are at present, due to the fact that they know the government has been doing what it can for them.

Now for a few moments I should like to deal with the reverend and hon. member for Lisgar (Mr. Brown), because he said some things which were true. The hon. gentleman said that the east had sent us many carloads of food and clothing which were greatly appreciated. That is absolutely true. We in our district in particular desire to pay a tribute to eastern Canada for the help they have given us. My district is different from the district from which the hon. member for Lisgar comes, and there came to us from eastern and other parts of Canada some fifty-six carloads of vegetables, which enabled the people to keep alive. In addition there came ten carloads of apples from eastern Canada, without which I believe there would have been many deaths due to malnutrition. So we desire to pay this tribute.

I should like now to make a comment or two on the remarks of the reverend and hon. member for Lisgar in regard to the wheat agreement. He said, "I look upon it with a great deal of fear." May I say to the hon. gentleman that this is the first thing the Bracken government ever did upon which he looked with fear. I would refer him to the Bracken government, of which he is a supporter and a strong proponent, and I would suggest that he take his representations to that government and to the professor of economics of the University of Manitoba, who is a great friend of his as well as a friend of mine. Let him go to the grain exchange also.

Mr. BROWN: They both hold my views.

Mr. WILLIS: Apparently your views have impressed them about as much as they have impressed me. However, I do not desire to comment on the wheat agreement, because western Canada has accepted it. The grain exchange has accepted it; economic experts have accepted it, and those by whom it has not been accepted are those who cannot look with kindly or friendly eyes upon any act with which this government is connected, and who consider that the greatest crime ever committed in this country was perpetrated on July 28, 1930, when hon. members opposite were not returned to power.

The hon. member for Lisgar complained that members on this side do not get his viewpoint. He said:

Why will not hon. gentlemen opposite try to get our point of view?

Let me point out some of the difficulties in the way of getting that point of view. The hon. member for Lisgar and other hon. members make speeches in regard to the tariff policy of this government, but they never happen to mention that their own government while in office increased tariffs. They never mention that fact out in our country, and therefore I have to mention it now. It is difficult to understand the point of view of hon. members coming from the province of Manitoba, only one of whom has the courage to say he is a Liberal. That is to say, of all the members from that province sitting behind the leader of the opposition, the only one who in the province of Manitoba calls himself a Liberal is the hon. member for St. Boniface (Mr. Howden). The others are Progressives. One calls himself a Liberal-Progressive, another a National-Progressive, and the hon. member for Lisgar is not a Liberal,—oh, certainly not! You may be surprised to learn he is not a Liberal, despite the fact that he has sat behind the Liberal chief for so many years. If hon. members will take the trouble to look up the little red book known as the Parliamentary Guide they will find that the hon. member for Lisgar is still a Progressive, despite the fact that he has continued to follow the right hon. gentleman who now leads the opposition. This is something which I know the hon. member for Acadia (Mr. Gardiner) must find difficult to understand. May I say, however, for the benefit of the hon. member for Acadia, that generally speaking it is not known in the constituency of Lisgar that the hon. member sits with the Liberal party, that he is not a Progressive and speaks against Progressive policies in this House of Commons. That is not generally known, but I promise the hon. member for Acadia that I shall do my best to make it known.

Let us try to get the point of view of these hon. gentlemen. How could we get the point of view of the hon. member for Provencher (Mr. Beaubien). He sits with the Liberals, but we find that he calls himself a National-Progressive. Just what is a National-Progressive? I must confess it is difficult to understand even a rational Progressive, but a National-Progressive is quite beyond the bounds of human thought.

The hon. member for Lisgar paid me a great many compliments which are responsible for my speech of this evening. He quoted from a Canadian Press report of a speech I made in the city of Toronto, in which I am quoted as having said such and so.

Mr. GRAY: Read it.

Mr. WILLIS: The press dispatch states that I was delightfully frank in the city of Toronto. I hope I shall always be so. I read:

Mr. Willis told his audience—and it must have been something of a shock to most of those present—that he represented the new type of Conservative which "makes the party a young man's party,"—

Mr. YOUNG: Go on.

Mr. WILLIS: I pause to say that the proof of my statement is ample. I shall read plenty for you boys before I am through. The proof that the Conservative party is the young man's party is quite unnecessary in this House of Commons, although it may be necessary in the city of Toronto. In the house, as hon. members must know, most of the young men are on the Conservative side because the young men of Canada are naturally drawn towards the Conservative policy. It goes against the grain of a young member from western Canada to accept the Liberals, who go around and preach free trade and then come down here and sit behind a leader who has increased tariffs. That goes a bit against the grain, and while one may become dishonest in his old age we would not expect him to be dishonest so early in life.

The quotation continues with the words:

—and which does not believe in high tariffs—

Mr. GRAY: Read it all.

Mr. WILLIS: May I state for the information of the hon. member for Sarnia and points west that I will read it all. To continue:

—and which does not believe in high tariffs and "all the things which historically the party was supposed to stand for."

The history given to Conservatives in western Canada by members who sit opposite is that the Conservative party is composed entirely of people who believe only in high tariffs and are always looking back. When I made my speech in Toronto I wanted to point out that we do not look backwards, as do hon. members opposite, to theories in regard to free trade which came to us hundreds of years ago, and have been abandoned by those who are still young enough to think. I desired to point out to that audience, as I am pointing out to this house, that the people in western Canada, speaking generally, do not believe in the same degree of tariff pro-

tection as is thought proper by people in eastern Canada. That difference is due to the geographical locations of the two sections of the country.

Mr. YOUNG: Why don't you boys get together?

Mr. WILLIS: That is the difference between the boys on this side, and those opposite. We in western Canada accept the inevitability of protection because we know that in the St. Lawrence basin there is to be found fifty-five per cent of the Canadian population. We know that if you boys get into power you will increase the tariffs of Canada—and I use the word "if." You said you would not do it before, but you did it. Any government in power in Canada will increase tariffs, if the world is increasing them. It does not matter what you say, or how you may shake your heads. You said before that you would not raise tariffs; you shook your heads before, but you raised the tariffs. If you wish proof of it may I say that the hon. member who held the office of Minister of Finance in the late Liberal government, Mr. Dunning—

Mr. SPEAKER: The hon. member should address the chair.

Mr. WILLIS: I am very sorry Mr. Speaker, that I have not followed the rule of the house. I should much rather address my remarks to you than to hon. gentlemen opposite.

Mr. REID: So would we.

Mr. WILLIS: Mr. Speaker, one gets into difficulties in regard to this matter because one naturally addresses those who need the information most. The Minister of Finance in the previous government, who has now, of course, gone over to the big interests, formerly sent down each year from the Saskatchewan government a petition to this government in regard to free trade and the lowering of tariffs. Then he came to Ottawa, became Minister of Finance and became connected with the men in eastern Canada who he thought had influence. The Dunning budget was presented to the house, and through the countervailing duties of that budget it was anticipated that we had to have increased tariffs. The duties under the countervailing provisions in the Dunning budget would have effected tariff measures over which hon. members who now sit opposite could not have looked, or beyond which even their fancies could not have reached.

Therefore I repeat that any government which assumes power in Canada at a time when the world tendency is towards higher tariffs must follow that tendency, just as this government did. Any government which comes into power in Canada must get tariff revenue, and hon. members sitting opposite were the ones who gained most through tariff protection. For the first time in the history of Canada they took over $200,000,000 in tariffs from the people. Yet they say, "We do not believe in tariffs, certainly not; we just take the money." They do not pause to consider that five-sixths of the goods which enter Canada come in free of duty.

I believe my remarks will indicate to hon. members at least some reason why I have taken this opportunity to speak. There are one or two further matters however to which the hon. member for Lisgar referred and in connection with which I have some comment. Again the hon. member for Lisgar is killing horses up in his country. He says there are eight horses dead in a distance of seven miles, or something like that. I do not dispute that fact, but I want to warn the hon. member that the last time he told this house about dead horses I had letters, which I now hold in my hand, from men who wanted to engage him in public debate to prove that his statement was incorrect. I have a communication before me now from four men who are willing to take affidavits to the effect that the statement of the hon. member for Lisgar was incorrect. Of course, he is an honourable and reverend member of this house, but I wish him to be careful, that is all, in regard to statements he makes. Because the hon. member is a friend of mine I want him to be careful in that regard. If the hon. member wishes to have a line in regard to who some of these people are he should refer to the reeve of Pembina municipality, who would be very happy to furnish him with the information.

The hon. member for Lisgar says that hon. members on this side who do not believe in high tariffs are still supporting the government. The difference between those who sit on this side and the hon. member for Lisgar is that while he denounces high tariff all the time, yet it is all right when the government of which he is a supporter increases the tariff. But as far as we are concerned we do not preach free trade. We accept protection and have done so always.

The hon. member for Lisgar also said that he would not object to carrying on a campaign with these gentlemen because he would never let them get away with some of the statements they are trying to put over on the people. Well, Mr. Speaker, there are not many miles between us. In my constituency I hold from fifteen to twenty-five meetings each year and I invite questions and discuss at each meeting the tariff issue, taking some time to

explain it to the people, with the result that now some of those who come to my meetings know at least a little bit more about it than they did previously. They know a little more about it than my hon. friend from Weyburn, who is now laughing, and who comes to this house and talks free trade and evolves many curious arguments in support of a theory which our grandfathers buried.

Mr. POULIOT: If the hon. gentleman answers questions, he should be sworn in as a cabinet minister.

Mr. WILLIS: Thank you, I accept the office. That reminds me that it is not so very long ago that the Canadian Press gave me a title. I have asked the members of the Canadian Press to give it to me, but so far unsuccessfully, and if anything can be done in regard to that matter I shall be glad of the assistance of hon. gentlemen opposite because it improves one's chances, particularly in the line of matrimony.

It is important so far as this country is concerned that certain forward steps should be taken. I think one of the foremost steps that has been taken by the government has been the appointment of a committee which is to inquire into prices and mass buying in this country. While passing through the city of Winnipeg I was stopped by a number of gentlemen who do not see politically the way I do, yet they asked me to convey their congratulations to the Minister of Trade and Commerce (Mr. Stevens) upon the investigation which is to be carried out with respect to the distribution of commodities.

In conclusion, with regard to the stocks of gold in this country, due to the fact that in the United States the price of gold has now been fixed at $35 and that in Great Britain they are paying practically $35 for gold, it strikes me, as one who knows very little about the matter, that it may be necessary in this country for the government to take over the existing gold supplies now held by the banks and revalue our gold on a $35 basis, to the great benefit of the country, as I see it.

Then there is the question of debt in this country, which is of paramount importance. So far as the people I represent are concerned, it is perhaps the greatest problem which they have to face and will continue to have to face. It seems to me that those who hold the bonds of this country payable in Canada to the extent of some $200,000,000 might very well consent, and would consent, to a refunding at a saving of at least one to two per cent interest, which would mean a saving to the treasury of some $20,000,000 a year. There may be practical difficulties in the way, but at the moment I cannot see them.

Those are the two suggestions which I should like to leave with the house which seem to me of some importance. I trust that at a later date I shall be able to outline certain matters in regard to debt, and relief within the constituency which I represent. The whole drought area of the province of Manitoba is within my constituency as defined by the provincial government, and for the past four years the people in my constituency have been having great difficulty in the payment of their debts, in regard to relief, and in keeping starvation from their doors. They have their problems and the first brunt of them falls upon the municipalities. I have had to make a few trips to Ottawa on behalf of these people, and I have always found the government willing and ready to lend money to the province of Manitoba to help out the people as and when asked for. So far as lending money to the province of Manitoba for the relief of these people is concerned, I say that on that charge this government can be exonerated. At the end of December, by reason of these advances, there remained payable to this government by the province of Manitoba slightly over $8,000,000, which indicates that this government has drawn no political lines in helping to solve the relief problem. They have tried to keep body and soul together so far as the people are concerned.

Mr. BROWN: Before the hon. gentleman sits down, might I ask if he is aware that one of the standing charges against the former government by hon. gentlemen opposite was that Canada had reduced the tariff while all other countries were raising theirs?

Mr. WILLIS: Let me continue a little while. Charges will be made according to the geographical position of the person making the charges. I say at once to the hon. gentleman in reply to his question and to the hon. member for Weyburn, that if they desire to convince the people of Canada of the sincerity of their sentiments they should start with their own members, namely the hon. member for North Bruce (Mr. Malcolm); then the hon. member for Sherbrooke (Mr. Howard), and then the hon. member for Toronto West Centre (Mr. Factor). If they can convince these gentlemen there might be some hope of their convincing western Canada: but if they cannot, they

might as well stop talking free trade because it will bury them just the same as the theory has been buried for centuries.

Mr. L. E. PARENT (Terrebonne): Mr. Speaker, in rising to take part in the debate on the address I desire to extend my congratulations to the mover (Mr. Gobeil) and the seconder (Mr. Barber), both of whom performed in a very creditable manner their duty of trying to convince the members of this house and the people of the country as a whole of their faith in the present administration. I must confess, however, that I differ from them on many of the points on which they expressed opinions. My constituency being composed of ninety-five per cent of Canadians who are descendants of those of French origin, with your permission, Mr. Speaker, and that of the house, I shall continue my remarks in their and my mother tongue.

(Translation) Mr. Speaker, one who peruses the speech from the throne feels baffled by these first lines:

Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Indeed, sir, as a Canadian, it gives me great pride to note that Canada occupies an enviable place among the nations of the world in connection with the return to prosperity. However, this position is not all that can be expected, especially when we consider that the population of Canada is composed of descendants of hard working and conscientious men, having at heart the progress and development of their country, offsprings of pioneers who opened to civilization our vast native land, comprising the whole northern part of the American continent and which encloses more wealth, proportionately, than any other country in the world, resources which amount to more than $30,000,000,000 or more than $3000 per capita.

I now come to another interesting paragraph of the speech from the throne:

The prices of agricultural products, which have fallen in recent years to the lowest level in history, have shown substantial improvement in the last few months. My government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture.

This simply means that His Excellency the Governor General, in the speech dictated to him by the cabinet, states that agriculture, the fundamental industry of Canada, must receive the consideration of the government. In the course of my remarks, I shall endeavour to prove to the house and to all my fellow-citizens that the government has been guilty of negligence towards the farming class.

That is why His Excellency adds:

My government realize, however, that further increases in price levels are necessary to insure success to those engaged in agriculture.

Prices, sir, automatically find their level according to supply and demand. This is a fundamental and recognized fact. However, in order that the law of supply and demand should become effective, one should not, by means of tariff barriers or other impediments, prevent the producer from receiving fair and equitable prices. Tacitly, therefore, His Excellency recognizes that the government has strangled trade and commerce through its tariff barriers, its famous protection policy. This so heralded policy, in the 1930 election, must be discontinued and our tariff placed on a sound basis. I do not advocate free-trade but a reasonable tariff for revenue purposes, hindering neither trade nor industry. Only when these tariff barriers are down as recommended by His Excellency the Governor General, shall we witness the price of farm products increase.

In order to well understand the conditions existing in Canada, one has but to consult our official statistics. We cannot go astray. Certain members have, at times, contended that these statistics are not accurate. Perhaps, there may sometimes be errors, however, on the whole, one can rely on them. As I intend to particularly discuss agriculture, that industry which has had to suffer more than any other in Canada, I shall do so with statistics in hand and my remarks will especially refer to the paragraph of the speech from the throne which advises the government to study the question relating to the prices and sales of farm commodities.

At page 10 of the booklet Canada, 1934, published under the supervision of the Department of Trade and Commerce, we find the following:

While the farmers' difficulties in 1932 were centered around extremely low prices and while their hopes lay in the bountiful crop production of the year, a different situation existed in 1933. Summer drought was widespread across Canada, and prolonged in many sections.

I cannot, sir, see how one can reconcile the speeches delivered in the house by the right hon. Prime Minister (Mr. Bennett), and a number of members opposite, with this statement issued by the Department of Trade and Commerce and published in the booklet Canada 1934, showing that price levels were down and farmers, who expected a large crop, were disappointed owing to the very dry season. I wish to refer to the statement, in

1930, of the right hon. Prime Minister when he promised higher price levels for farm products, and, that, if necessary, he would blast the markets in order to facilitate the sale and marketing of their products. On his return from the London Imperial Conference in 1933, the right hon. Prime Minister issued a program, not with the idea of helping the farmers who had suffered losses owing to the drought but one of curtailment of the wheat acreage. I cannot really understand how one can reconcile these two statements. Let us, however, proceed, because there are still other facts to disclose. The hon. Minister of Trade and Commerce (Mr. Stevens) states in this yearly booklet, in the same paragraph which I quoted a few moments ago:

The increase in prices of farm commodities helped considerably to offset the lower production.

Let us examine what is this increase in the prices of farm commodities mentioned and how it came about, if it ever did. Let us examine closely whether such are the facts, by consulting the bureau of statistics.

In the booklet Canada 1934, at page 47, we find that in 1930, the net returns of agricultural products amounted to $758,000,000, in round figures; in 1931, $538,000,000, and in 1932, $428,000,000. It is quite an easy matter to compare the figures for these various years.

Let us now examine what is the decrease in our agricultural resources. At page 67 of the same publication, we find that in 1931, the agricultural wealth of the country amounted to $5,697,000,000, and in 1932, to $5,070,000,000, namely a difference of $627,000,000 in our agricultural assets. Do the Canadian farmers realize that, according to these official figures, their loss amounts to $627,000,000? There has, therefore, not been any increase, on the contrary, statistics prove there has been a decrease.

In order to clearly show the situation of our industrial activities, I shall quote the Bureau of Statistics in connection with our various industries, including agriculture. In 1930, the value of our industrial products amounted to $3,216,000,000; in 1931, to $2,500,000,000, a difference of $716,000,000. Is that an increase, I ask these gentlemen? It would be very hard to convince me of the fact, when the government figures themselves show a considerable decrease.

There is a spread in manufactured products of more than $300,000,000 in less than a year. Is that the realization of the pledges made at the election in 1930, so as to capture both the confidence and vote of the Canadian people?

Still referring to the Dominion statistics, I find the following at page 12 of the same publication under the heading of price commodities:

In March, 1933 (after three years), wholesale prices began the first appreciable advance that has occurred since 1929. It came after an almost unbroken decline of 42 months during which time the Dominion Bureau of Statistics' general index number of wholesale prices fell by roughly 30 per cent.

That is word for word, sir; it is taken from Canada 1934.

It adds:

Prices in some commodity groups such as farm products had dropped more than double this amount—

Namely 60 per cent.

—while manufactured goods showed decreases of less than 20 per cent in many cases.

Much could be said, sir, in connection with the serious results which might be the outcome of this abnormal situation, this discrepancy in the price levels of Canadian farm products and those of manufactured goods.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 7, 1934

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

AGREEMENT WITH LOCOMOTIVE ENGINEERS AND FIREMEN RESPECTING SENIORITY

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, the other day an order was passed by the house on the motion of the hon. member for Temiscouata (Mr. Pouliot) with regard to the Montreal agreement. I have received a reply to our request for a copy of the agreement, and I presume this is as good a time as any to deal with it. This is what Mr. Fullerton has to say:

I have your letter of February 2nd with respect to the desire of Mr. Pouliot for a copy of the Montreal agreement, with amendments.

The Montreal agreement is a form of contract between the Canadian National Railways, the Brotherhood of Locomotive Engineers and the Brotherhood of Locomotive Firemen and Enginemen and has to do with the establishment of seniority districts and seniority rules for men in engine service.

This contract and amendments thereto is currently in effect, and it is not considered in the general interest to distribute copies of current contracts.

If there are any specific questions pertaining to the Montreal agreement or its amendments that Mr. Pouliot would like to ask, we will endeavour to answer them.

A number of hon. members have been asking with regard to this agreement, and perhaps this information will serve for everyone.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): If the house will permit me to do so I should like to thank the hon. member for the trouble he has taken in the matter, but if I do not know the terms of the contract how can I ask questions with regard to it?

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INDIVIDUAL INCOMES ASSESSED

Mr. COOTE:

What was the amount of the incomes of individuals assessed for the purposes of Income War Tax Act in the fiscal year 1931-32 in each of the following income groups: (a) under $2,000; (b) $2,000 to $3,000; (c) $3,000 to $4,000; (d) $4,000 to $5,000; (e) $5,000 to $6,000; (f) $6,000 to $7,000; (g) $7,000 to $8,000; (h) $8,000 to $9,000; (i) $9,000 to $10,000; (j) $10,000 to $15,000; (k) $15,000 to $20,000; (l) $20,000 to $25,000; (m) $25,000 to $30,000; (n) $30,000 to $35,000 (o) $35,000 to $40,000; (p) $40,000 to $45,000; (q) $45,000 to $50,000 and over?

Mr. MATTHEWS:

(a) $62,154,736.20; (b) $45,696,003.81; (c) $73,336,840.84; (d) $73,904,744.07; (e) $58,-151,503.96; (f) $44,795,794.85; (g) $33,523,798.32; (h) $26,748,889.22; (i) $22,770,081.44; (j) $69,317,807.41; (k) $36,528,038.94; (l) $20,-949,617.67; (m) $14,839,273.99; (n) $11,215,-102.64; (o) $6,994,814.26; (p) $6,466,932.31; (q) $4,106,542.86, $48,606,734.66.

WAR PENSIONERS

Mr. HANSON (Skeena):

How many war pensioners were there in Canada in the years 1930-31-32-33, and what is the amount paid for each year?

2. What was the cost of administration of the Department of Pensions during the same years, giving each year separately?

Mr. MacLAREN:

1.

Fiscal year ending March 31st	Number of dependent pensioners	Number of disability pensioners	Total	Total number of persons in respect of whom pension is paid	Annual expenditure
1930	19,644	56,996	76,640	202,842	$39,093,289
1931	19,676	66,669	86,345	230,744	44,234,232
1932	19,308	75,878	95,186	258,793	46,794,939
1933	18,745	77,967	96,712	264,840	43,141,138

2.

Fiscal year ending March 31st	Actual cost of administration	Percentage cost of administration
1930	$1,848,307	3·497
1931	2,158,024	3·607
1932	2,569,721	4·015
1933	2,383,382	4·034

3. Yes.

4. Balance of grant $14,947.44 deposited to casual revenue 9th December, 1933.

Balance of appropriation $8,392.09 remains unexpended in Post Office Department appropriations.

OTTAWA—POSTAL CONGRESS

Mr. POULIOT:

1. What amount was allotted for the postal congress of Ottawa in 1933?
2. What amount was spent for that purpose?
3. In the event of the total amount allotted not having been entirely used, was the balance remitted to the treasury?
4. If so, on what date?

Mr. DUPRE (for Mr. Sauvé):

1.

Grant	$25,000 00
Post Office Department appropriations	37,400 00

2.

Grant	$10,052 56
Appropriations	29,007 91

POSTMASTER GENERAL—ITINERARY

Mr. POULIOT:

1. Have the employees of the Post Office Department prepared an itinerary of a tour in several countries for the Postmaster General, indicating and describing the principal places to visit in other countries than Egypt?
2. If so, who prepared this work and how much time has been devoted to it by the person or persons who prepared it?
3. Has this work been done during office hours?

Mr. DUPRE (for Mr. Sauvé):

1. No, but stenographers of department assisted in suitably amending printed itinerary furnished by travel agencies.

2. Work prepared by the private secretary to the Postmaster General, but no record kept of time involved.

3. Partly.

CHAMPLAIN–ST. MARTHE PARISHES RELIEF WORKS

Mr. BARIBEAU:

1. Were the works on the provincial highway in the limits of Champlain and St. Marthe parishes carried on during the year 1933, according to the Gordon-Francoeur agreement?
2. If so, what amount was set aside for this purpose?

Mr. GORDON:

1. No works have been approved under The Relief Act, 1933, for provincial highways in the limits of Champlain and St. Marthe parishes. It would appear that no proposal has been received from the provincial authorities in this regard.
2. See reply to No. 1.

LAVIOLETTE COUNTY RELIEF WORKS

Mr. BARIBEAU:

1. Did the provincial government of Quebec suggest to the federal government the carrying on of certain works to help the unemployed in the county of Laviolette (provincial division), during the year 1933-34, according to the Gordon-Francoeur understanding?
2. If so, what amount was allowed for each item?

Mr. GORDON:

1. Yes.
2.

Schedule No. 11

Highway No. 19—St. Tite La Tuque section Laviolette county: relocation, widening, grading, blasting, construction of culverts and gravelling. By day labour. To remedy unemployment at La Tuque and Grand'Mere, also along that section of the highway. (See also 11A, List No. 53):

Total estimated cost, $50,000; man-days work provided by project, 25,000; basis of contribution, $0.50 per man-day of work; Dominion proportion, $12,500.

Schedule No. 47

St. George Village, Laviolette County, Waterworks and sidewalks:

Total estimated cost, $5,500; total labour cost, $3,000; basis of contribution, 33⅓ per cent; Dominion proportion, $1,000.

Schedule No. 59

Rivière La Bostonnais—Road works between Mailhiot and Bourgeois townships, Laviolette county, for the needy unemployed at La Bostonnais river and surrounding district. Undertaking to be carried out by the Department of Colonization. (See also 59A, List No. 64):

Total estimated cost, $4,000; man-days work provided by project, 1,688; basis of contribution, $0.50 per man-day of work; Dominion proportion, $844.

Schedule No. 83

Highway No. 19—Almaville, county of St. Maurice and Laviolette. Construction of a new hill including purchase of land and all works preliminary to the laying of a permanent pavement. By day labour. To remedy unemployment at Shawinigan Falls and Almaville:

Total estimated cost, $25,000; man-days work provided by project, 10,000; basis of contribution, $0.50 per man-day of work; Dominion proportion, $5,000.

Schedule No. 11A

Laviolette county—Highway No. 19—St. Tite La Tuque section: relocation, widening, grading, blasting, construction of culverts, gravelling and other improvements. Work camps operated by the roads department. By day labour. To remedy unemployment at La Tuque and Grand'Mere, also along that section of the highway. (Above in addition to schedule No. 11 approved by P.C. 2128 dated October 14, 1933, for a Dominion contribution not to exceed $12,500):

Total estimated cost, $40,000; man-days work provided by project, 20,000; basis of contribution, $0.50 per man-day; Dominion proportion, $10,000.

Schedule No. 59A

County of Laviolette—Road works through Mailhiot and Bourgeois townships. For the needy unemployed at La Bostonnais river and surrounding district. Undertaking to be carried out by the Department of Colonization. (59A in addition to schedule 59 approved by P.C. 2103 dated October 10, 1933. Dominion contribution not to exceed $844):

Total estimated cost, $3,000; total estimated labour cost, $2,500; man-days work provided by project, 1,562; basis of contribution, $0.50 per man-day; Dominion proportion, $781.

CHAMPLAIN COUNTY RELIEF WORKS

Mr. BARIBEAU:

1. Has the provincial government of Quebec suggested to the federal government, the carrying out of certain works to aid unemployment in the county of Champlain (provincial division), during the year 1933-34, according to the Gordon-Francoeur understanding?
2. If so, what amount has been allowed for each item?

Mr. GORDON:

1. Yes.
2. See list attached.

Schedule No. 24

Road between St-Jacques-des-Piles and St. Roch-de-Mekinak, Champlain county. Widening, grading construction of culverts, gravelling. By day labour. To remedy unemployment in Grand'Mere:

Total estimated cost, $20,000; man-days work provided by project, 10,000; basis of contribution, $0.50 per man day of work; Dominion proportion, $5,000:

Schedule No. 32

La Tuque Roberval highway—Exploration and preliminary work such as clearing, construction of culverts and grading, and gravelling works. By day labour. To remedy unemployment at La Tuque and Roberval:

Total estimated cost, $25,000; man-days work provided by project, 12,500; basis of contribution, $0.50 per man day of work; Dominion proportion, $6,250:

Schedule No. 346

Construction of a new and direct highway between Shawinigan and Grand'Mere, counties of Champlain and St. Maurice. To remedy unemployment at Shawinigan Falls, Grand' Mere and district. By contract:

Total estimated cost, $75,000; total estimated labour cost, $55,000; man-days work provided, 34,000; basis of contribution, $0.50 per man-day; Dominion proportion, $17,000:

Schedule No. 32a

La Tuque-Roberval highway—clearing, blasting, construction of culverts, widening, grading and other improvements between La Tuque and La Croche. By day labour—to remedy unemployment at La Tuque and surrounding district:

Total estimated cost, $5,000; total estimated labour cost, $4,000; man-days work provided by project, 2,500; basis of contribution, $0.50 per man day; Dominion proportion, $1,250:

(Above in addition to Schedule 32 approved by P.C. 1818 dated September 7, 1933, Dominion contribution not to exceed $6,250.

BERTHIER-MASKINONGE RELIEF WORKS

Mr. BARRETTE:

1. Has the provincial government of Quebec suggested to the federal government the carrying out of certain works to help the unemployed in the county of Berthier-Maskinonge, during the years 1933-34, according to the Gordon-Francoeur understanding?

2. If so, in what district and what amount has been expended?

Mr. GORDON:

1. Yes.

2. Works have been approved for the relief of unemployment in the county of Berthier, as per list attached. The only account received from the province in this regard is one applying to schedule No. 10 and amounting to $22 Dominion proportion. Payment of this account will be made in due course.

Schedule No. 10

St. Donat St. Michel-des-Saints highway, county of Berthier. Clearing, grading blasting, construction of culverts and bridges, gravelling. By contract (unit prices). To remedy unemployment at St. Michel-des-Saints and St. Zenon:

Total estimated cost, $20,000; total estimated labour cost, $16,000; man-days work provided by project, 10,000; basis of contribution, $0.50 per man-day; Dominion proportion, $5,000:

Schedule No. 312

St. Gabriel de Brandon village, Berthier county—Cleaning of beach, near the Canada Power's mill:

Total estimated cost, $3,000 (No material); total estimated labour cost, $3,000; basis of contribution, 33⅓ per cent; Dominion proportion, $1,000.

POSTMASTER GENERAL—SECRETARIES

Mr. POULIOT:

1. How many secretaries and assistant secretaries has the Postmaster General?

2. What are their names, and where is each one of them at the present time?

Mr. DUPRE (for Mr. Sauve):

1. One.

2. Maurice Grondin, Ottawa.

MR. JEAN BRUCHESI

Mr. POULIOT:

1. Does Mr. Jean Bruchési accompany the Postmaster General in an official capacity to Egypt?

2. If so: (a) in what capacity and what are his powers; (b) has he passed the Civil Service Commission examinations; (c) if not, on whose recommendation, by whom, how and when was he appointed; (d) will he remain at Cairo during the entire duration of the postal congress; (e) if so, will he return directly from Cairo to Canada; (f) what is his salary; (g) is he a temporary or permanent employee?

Mr. DUPRE (for Mr. Sauvé):

1. Yes.

2. (a) As attaché to act as secretary to the Canadian delegation and to the Postmaster General; (b) no; (c) Postmaster General, under the authority of orders in council dated 7th September and 28th November, 1933; (d) no information; (e) no information; (f) no salary, but an allowance of $20 per

diem for living expenses, exclusive of telephone, telegraph and transportation charges during the time he is absent from Canada, but not to include days spent on shipboard; (g) not an employee.

WORLD ECONOMIC CONFERENCE

Mr. POULIOT:

1. How many countries were officially represented at the world's conference in London in 1933?
2. What countries were so represented?

Mr. BENNETT:

1. Sixty-four.
2. Afghanistan, Union of South Africa, Albania, Germany, Saudi Arabia, Argentine Republic, Australia, Austria, Belgium, Bolivia, Brazil, United Kingdom of Great Britain and Northern Ireland, Bulgaria, Canada, Chile, China, Colombia, Cuba, Danzig, Denmark, Dominican Republic, Egypt, Ecuador, Spain, Estonia, United States of America, Abyssinia, Finland, France, Greece, Guatemala, Haiti, Hungary, India, Iraq, Irish Free State, Iceland, Italy, Japan, Latvia, Liberia, Lithuania, Luxemburg, Mexico, Nicaragua, Norway, New Zealand, Paraguay, Netherlands, Peru, Persia, Poland, Portugal, Roumania, Salvador, Siam, Sweden, Switzerland, Czechoslovakia, Turkey, Union of Soviet Socialist Republics, Uruguay, Venezuela, Yugoslavia.

UNEMPLOYMENT RELIEF—NEW BRUNSWICK

Mr. VENIOT:

What amount chargeable to unemployment was due the province of New Brunswick on October 31, 1933?

Mr. GORDON: $1,810.50 in respect of unemployment relief.

*CANADIAN PACIFIC RAILWAY—ADVANCES

Mr. POWER:

To what extent was the Canadian Pacific railway indebted to the Bank of Montreal for loans or advances made by the said bank to the company at the time: (a) when the Canadian Pacific Railway Company requested the government to guarantee a loan of sixty million dollars; (b) at the time of the passing of the order in council which actually guaranteed the said loan?

Mr. BENNETT: This is a matter over which we have no jurisdiction; it is between the railway company and the bank. We could write the railway company or the bank for the information, but they may not supply it to us, and it does not come within our jurisdiction.

Mr. LAPOINTE: The hon. member for Quebec South (Mr. Power) is not here, so perhaps my right hon. friend would allow the question to stand.

Mr. BENNETT: Very well.

Question stands.

*INTERNATIONAL LABOUR OFFICE

Mr. MITCHELL:

1. Is it the intention of the government to have a full representation of government, employers and workers delegates at the forthcoming annual conference of international labour office which meets in Geneva in May?
2. If so, will these delegates be provided with one or more advisors, so as to enable them to adequately participate in the work of the conference and its committees?

Mr. GORDON: It is the well established practice, Mr. Speaker, that the intentions of the government in matters of this kind are not disclosed until the proper time. I assume the hon. member has reference to the article in the treaty of Versailles relating to the international labour office. Therefore I would ask that this question be dropped from the order paper.

Question dropped.

*JOHN I. MCFARLAND

Mr. MOTHERWELL:

1. What salary, expenses, or other emolument does John I. McFarland receive for his stabilizing services on the Winnipeg grain market?
2. How large a staff does he usually employ?
3. What is the total cost per annum in rent, salaries and other expenses, for maintaining his office?
4. Under what department of the government, and from what vote, are such expenses paid?

Mr. BENNETT: I indicated to the hon. gentleman yesterday that Mr. McFarland is not on the payroll of the Dominion of Canada, and no office is maintained by this government over which he has control.

PENSIONS COMMISSION—PERSONNEL AND SALARIES

Mr. REID:

1. What are the names of the persons appointed to the Canadian pensions commission?
2. What was the previous occupation of each such person, and what salary is being paid to each?

Mr. MacLAREN:

Name—Previous occupation—Salary being paid

Lt. Col. J. T. C. Thompson, barrister, $7,000; Dr. James F. Ellis, physician, $6,000; Dr. D. W. Gray, physician, $6,000; Dr. R. J.

Kee, physician, $6,000; Lt. Gen. Sir R. E. W. Turner, merchant, $6,000; Mr. H. A. L. Conn, barrister, $6,000; Dr. J. A. L. Robert, physician, $6,000; Mr. Stephen Jones, agent, $6,000.

SALISBURY, N.B., MAIL CONTRACT

Mr. VENIOT:

1. When did mail contract for R.R. No. 1, Salisbury, New Brunswick, expire?

2. Has a new contract been awarded; if so, to whom?

3. Were tenders called for, what persons tendered, and what was the amount of each tender?

4. Was contract awarded to lowest tender; if not, why?

5. Is the department aware of any serious complaints having been made during recent months against the present contractor; if so, what were the complaints?

Mr. DUPRE (for Mr. Sauve):

1. September 30, 1935.

2. Yes, to W. G. Campbell.

3. Yes, W. G. Campbell, $544; Manley O. Blenis, $546; Lyman Eagles, $550; Noble S. Steeves, $550; George Lawrence, $550; Coleman C. Spence, $597; Henry MacDonald, $600; Frank O. Sentell, $650.

4. Yes.

5. No.

RIVER GLADE, N.B., POSTMASTER

Mr. VENIOT:

1. Was the postmaster at River Glade, New Brunswick, dismissed?

2. If so, was an investigation held, and by whom?

3. Was such investigation a public or private one, and were orders issued by the department that such an investigation should be private?

4. Who was the investigator, and how much was he paid for his services?

5. On whose recommendation was the present postmaster appointed?

6. Does this appointment come under the Civil Service Commission?

Mr. DUPRE (for Mr. Sauve):

1. Yes.

2. (a) Yes; (b) Commissioner Daniel Mullin.

3. (a) No definite information; (b) No.

4. (a) Daniel Mullin, barrister of Saint John; (b) $70.75.

5. Dr. O. B. Price, M.P.

6. No.

PARCEL POSTAGE RATES

Mr. ROBERGE:

What is the present rate per pound for the transportation by mail of parcels of the following weights: 1 pound, 5 pounds, 10 pounds, 14 pounds?

Mr. DUPRE (for Mr. Sauvé):

1.

Addressed to:	1 lb.	5 lbs.	10 lbs.	14 lbs.
Any post office within 20 miles including place of mailing	$0.05	$0.10	$0.20	$0.25
Any post office beyond 20 miles, but within the province of mailing	0.10	0.30	0.55	0.55
Any post office in adjoining province	0.10	0.38	0.73	0.75
Any post office in second adjoining province	0.12	0.48	0.93	1.15
Any post office in third adjoining province	0.12	0.58	1.13	1.35
Any post office beyond third adjoining province	0.12	0.60	1.20	1.50

Note.—The three provinces of Nova Scotia, New Brunswick and Prince Edward Island are considered as one zone.

BONUS ON VANCOUVER ISLAND COAL

Mr. NEILL:

What was the bonus paid or accruing due for tonnage on Vancouver island coal under P.C. 2699 during the calendar year 1933, showing separately the amount of bunker coal and export coal each month, and the amount paid for each?

Mr. GORDON:

	Gross tons	Amount
January	3,665	$ 1,832 50
February	6,167	3,083 50
March	5,859	2,929 50
April	2,898	1,449 00
May	5,844	2,922 00
June	7,459	3,729 50
July	4,567	2,283 50
August	2,870	1,435 00
September	7,657	3,828 50
October	2,642	1,321 00
November	4,012	2,006 00
December	264	132 00
	53,904	$26,952 00

All of the above was bunker coal. No coal shown as exported during 1933.

IMMIGRATION STATISTICS

Mr. DUGUAY:

1. From 1922 to 1930 how many immigrants entered this country?
2. How much money have they cost the country?
3. How many are left at the present time?
4. How many were deported, and what was the cost?
5. How many Canadians emigrated during the period from 1922 to 1930?

Mr. GORDON:

1.

Fiscal year	
1921-22	82,324
1922-23	67,446
1923-24	145,250
1924-25	111,362
1925-26	96,064
1926-27	143,989
1927-28	151,600
1928-29	167,723
1929-30	163,288
Total	1,129,046

2 to 5. The information is not available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUTTER IMPORTS

Mr. BLAIR:

1. What were the quantities of butter exported to Canada during years 1930, 1931, 1932 and 1933, by: (a) New Zealand; (b) Australia?
2. What were the prices of the butter each month during the above-mentioned years at the Canadian ports of entry?
3. What were the duties, dumping penalty or other taxation, imposed per pound each month of the above periods?

Mr. CAHAN: Return tabled herewith.

NEW WESTMINSTER HARBOUR COMMISSION

Mr. REID:

1. What lawyer or lawyers were engaged by the New Westminster harbour commissioners during the year 1933?
2. What were the various amounts paid for law services by the New Westminster harbour commissioners during the year 1933, and to whom were the various sums paid?
3. For what special service were these lawyers engaged?

Mr. DURANLEAU: I think this question should stand as an order for return, and I shall be glad to table any information I may receive from the commission.

POST OFFICE DEPARTMENT—CONTRACTS

Mr. POULIOT:

1. Since August 1, 1930, has the Post Office Department awarded contracts without first calling for tenders?
2. If so, what are the names and addresses of the contractors?
3. What is the date and the amount of each contract?
4. For what purpose was each contract awarded?

DOMINION GOVERNMENT—RENTALS

Mr. MUNN:

1. What amounts were paid by the Dominion government in each of the years 1929, 1930, 1931, 1932 and 1933, for rentals, office space, storage, and other purposes, in the city of Vancouver, British Columbia?
2. To whom was this money paid, where is each property located, and for what purpose was each such property used?

MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF, PRINCE ALBERT NATIONAL PARK

Mr. VALLANCE:

For a return in tabulated form showing the amounts expended monthly for material and supplies for unemployment relief in Prince Albert national park, from the inception of the camps to date.

For a return in tabulated form showing the amount expended per month on unemployment relief in Prince Albert national park, together with the number of men employed during each month, from the inception of the camps to date.

For a copy of pay lists showing the moneys expended in wages or salaries to foremen, superintendents, inspectors and subforemen, in connection with unemployment relief in Prince Albert national park. Such lists to indicate amounts paid monthly from the time the camps were established in the said park to date.

For a copy of order in council, if any, dealing with unemployment relief of permanent park residents in Prince Albert national park.

For a copy of order in council P.C. 2358, 1932, and P.C. 52, 1933, and any other orders in council, in connection with unemployment relief of single homeless men in Prince Albert national park.

PENSIONS OF DEPENDENTS

Mr. RALSTON:

1. A statement giving the following particulars respecting reviews made during 1933 of dependents' pensions, separating the information as respects reviews made, from January 1, 1933, to September 30, 1933, and from October 1, 1933, to December 31, 1933, showing: (a) the number of files reviewed; (b) at whose instance reviewed, i.e., Board of Pension Commissioners or Canadian Pensions Commission, Auditor General, Department of Pensions and National Health; (c) number of pensions reduced; (d) total yearly amount of reduction; (e) number of pensions cancelled; (f) total yearly amount of cancelled pensions (g) number of cases in which suspension or partial suspensions, withdrawal or reduction, has been made in order to recover an alleged overpayment of pension on the ground of alleged invalidity of marriage or absence of proof of marriage; (h) total yearly amount of such suspensions or partial suspension, withdrawals or reductions.

2. A statement giving similar information regarding disability pensions.

3. The number of cases in each class in which pensioner was given the opportunity to be heard in respect of such suspensions or partial suspensions, withdrawals or reductions.

4. The above information to exclude suspensions or reductions to repay previous lump sum payments or gratuities.

PENSION COMMISSION

Mr. VENIOT (for Mr. Power):

For a copy of all papers, documents, correspondence, resolutions or protests emanating from any ex-soldiers association and addressed to any member of the government, in connection with the appointment of members of the Canadian pension commission.

RIVER GLADE, N.B., POSTMASTER

Mr. VENIOT:

For a copy of all correspondence, evidence, and report of investigator, relating to the dismissal of the postmaster at River Glade, New Brunswick, and appointment of present incumbent.

SALISBURY, N.B., MAIL CONTRACTS

Mr. VENIOT:

For a copy of all correspondence, reports and calls for tenders, in connection with the mail contract for delivery of mails on route R.R. No. 1, Salisbury, New Brunswick.

For a copy of contract, correspondence and all reports relating to the awarding of a contract, which recently expired, for the delivery of mails on route R.R. No. 2, Salisbury, New Brunswick, and all correspondence relating to the award of a new contract.

[Mr. Vallance.]

Mr. VENIOT: Mr. Speaker, before asking the house to adopt these two motions I should like to ask your permission to let them stand.

Mr. SPEAKER: Motions Nos. 8 and 9 on the order paper will stand.

UNEMPLOYMENT RELIEF

PROPOSED PROGRAM OF PUBLIC WORKS FINANCED BY DIRECT DOMINION NOTE ISSUE

Mr. G. G. COOTE (Macleod) moved:

That, in the opinion of this house, in view of the large number of unemployed, and with the necessity of increasing the purchasing power of the people, it is expedient that the government give immediate consideration to the inauguration of a large scale program of public works, to be financed by a direct issue of non-interest bearing dominion notes.

He said: It is almost unnecessary to state at the outset of my remarks that the reason for introducing this resolution is found in the deplorable conditions existing in Canada, particularly with regard to the employment situation. It is unfortunate that we have no accurate statistics as to the number of people unemployed, but it is safe to say that there are at least over half a million of them. These people are producing nothing; they are living on the taxpayers and consuming real wealth. But that is not the worst of it; they are losing their morale and their ambition. There are thousands of young people who have completed their schooling and are ready for work. During the last three years they have graduated from the various schools and universities, but in that time have been unable to get a worth-while job with an income. I believe that is one of the greatest tragedies of the present situation. Complementary to that, thousands of farmers and merchants in Canada are facing bankruptcy through lack of business. Many farmers are remaining on their farms only through the grace of their creditors or because of protective legislation passed by the provinces.

Our two great problems to-day are first, to give an income to our farmers, and second, to give employment with incomes to those now unemployed.

In considering any remedy which might be brought forward at this time we must of course have in mind its effect upon the whole problem, not merely upon particular sections of the problem. The action which I am suggesting to-day constitutes, I believe, the best way of dealing with the unemployment problem and, incidentally, it will help to improve general conditions in Canada, and the whole national situation. I believe many recovery methods will have to be tried out

before Canada finally emerges from the depression, and before we have recovered anything like the degree of prosperity enjoyed in 1929 and the years immediately preceding.

I believe one of the first steps to be taken should be that of instituting a program of public works so as to give direct employment to and increase the purchasing power of the people. Speaking to the board of trade of Toronto on Monday, the Prime Minister (Mr. Bennett) is reported to have said, "We cannot offer you anything spectacular, nothing but thrift and hard work." That is perhaps a poor enough outlook, but it would not be so bad if we were in a position to offer work to our unemployed. How can people work hard if there is no work to do? Many of our Canadian people have worn the soles off their shoes looking for it; they want to work. The great majority of the unemployed in Canada want work; let us give them that chance. Unemployment is one of the greatest of our present problems—I am of course referring to unemployment without money. One of my returned friends said to me a year ago, "Unemployment with money is leisure, but unemployment without money is hell." I do not need to emphasize the terrible condition of mind of the men who for years have looked for work but without success. The policy of unemployment relief as it has been carried out in Canada is of course to be commended, if we cannot do anything better, but it is really striking at the very heart of the nation. Our greatest asset is our people. I wonder what is in the minds of the people who sing so lustily, "O Canada, we stand on guard for thee." Surely the only thing we can have in our minds when we sing, "We stand on guard for thee," is the ten millions of people who make up this nation. No other asset of this country is so worthy of considering as the people themselves. The future of Canada depends upon its people and upon future generations. We are destroying the morale and the ambition of our people so long as we tell them that they really ought to work, that the way out will be found through thrift and hard work, and yet keep them unemployed. The state for its own protection should see that every man has a chance to work at fair wages; we ought to see, and we can see if we have the will to do it, that there is real work provided for real men to do.

J. A. Hobson in Poverty and Plenty says:

> The right of the worker to demand work on reasonable terms and the correlative obligation of the organized community to provide it, are basic conditions of a civilized government. He has a right to demand work: it (the state) has an obligation to supply it.

Coming to one of our own economists in Canada, Professor Stephen Leacock, in The Unsolved Riddle of Social Justice he says:

> The government of every country ought to supply work and pay for the unemployed. . . . Society owes to every citizen the opportunity of a livelihood. . . . Work must either be found, or must be provided by the state itself.

I agree with Mr. Leacock. I think that is sound philosophy and sound economic doctrine.

It is generally supposed that private industry should and will provide employment, but after three years of waiting we know that it will not furnish that employment, that it is unable to do so. There is not sufficient purchasing power in the hands of the consumers to take up the products of industry, and so industry languishes and employment dies. There is no place to-day for capital investment which offers a return of interest and dividends. People will not invest in new industries until it is apparent that sufficient purchasing power rests in the hands of the people to take up the new production. We should all by now realize that the confidence of the people has been hit to the extent that private industry will not furnish the purchasing power and will not furnish employment. Even those who still have money have lost confidence and are afraid to spend the purchasing power which they hold. As a result of this refusal to spend, unemployment is increased, and when this condition occurs, as has been very well said by John Maynard Keynes, organized society must step into the breach and distribute purchasing power. It must, in other words, start on a spending program. Organized society, of course, means the government, and I think the time has arrived,—indeed it arrived long ago,—that as an organized society we can no longer hold back from the inauguration of a spending campaign,—or, in other words, the putting of purchasing power into circulation.

This principle is very well realized in the United States, where the new recovery plans are now under way, and where the government under the "New Deal" has started a real spending program. I read in a United States paper recently that the plans under contemplation in that country provide for the spending of practically $13,000,000,000, which is more than half the total amount spent by the United States in the prosecution of the great war from the time of its entry into the conflict until June 1921. In that period they spent for war purposes $25,749,000,000, and their

present plans contemplate the expenditure of more than half that sum to combat the depression. In other words, the United States is engaged in a war to end poverty and unemployment. They have already allocated $3,500,000,000 for expenditure under the public works administration.

The United States policy is described by their president as one of work instead of doles. The president is reported as using these words:

> This program will end the "dole" with all the disintegrating effects it has on the unemployed, and replace it with "made" work at honest wages.

That is a program which Canada might very well imitate. For three years we have followed the United States in a policy of financial deflation and consequent depression, and surely now that the United States has reversed its policy and is attempting to climb up out of the hole, Canada might at least keep pace with our great neighbour to the south.

I saw in a recent press dispatch from Washington that five million men had been reemployed by agencies financed with funds provided through the public works administration. That is just an indication, Mr. Speaker, of what could be done in Canada if a vigorous policy of public works construction was undertaken and financed by the federal government. I believe that such a program of public works would be the best method of getting our people back to work.

Mr. John Maynard Keynes, who is listed by Professor Irving Fisher as one of the men in the world who does know something, if not all, about money, stated three years ago:

> For every man given employment direct on a program of public works two other men will find employment as a result. Large numbers of men will secure employment in making the materials which will be used in the construction of these works, and others will find employment in making consumers' goods which the newly employed men will want to purchase with the wages which they receive.

The falling off in the construction industry appears to be responsible for much of the unemployment that now exists. In a statement presented last fall to the royal commission on banking by the National Construction Council of Canada, it is pointed out that the estimated volume of construction work in Canada for 1933 was only $66,000,000, compared with an average of $430,000,000 for the years from 1925 to 1930 inclusive. That is, the construction industry itself put out new purchasing power to the extent of $66,000,000 in 1933 as compared with an average of $430,000,000 for the years I have mentioned.

The value of construction in 1933 was estimated at less than 12 per cent of the 1929 figure. The industry employed at its peak in 1929, 300,000 direct workers. Those figures would indicate that the unemployed due to the falling off in construction in Canada probably number more than 250,000 people. The submission made by this association to the banking commission goes on to say that, after taking into account those employed indirectly in the industry:

> It is obvious that the lack of work in the construction industry is responsible in a very large measure for the numbers of unemployed in the country. It is also correct to state that if the construction industry were operating at the 1929 rate, 500,000 people would be back in employment to-day who are at present unemployed.

That is a striking figure, Mr. Speaker, but I believe it can be substantiated. It says 500,000 people would be back in employment. The submission goes on:

> In other words, about half of the unemployment problem in this country can be laid at the door of this particular industry. The construction industry, beyond all other industries, is unique in its ability to provide great diversity of employment. The ramifications of this industry are so far-reaching that it is difficult to find any major industry in the country not seriously affected by its prosperity or otherwise. It follows that a dollar spent in the construction industry is diffused through the whole fabric of industry. No particular group and no particular locality is affected more than any other group or locality. A bridge on the west coast will provide work for steel makers in Sydney. An office building in Toronto provides work for the lumberman in British Columbia. To this aspect should be coupled a second significant factor, that for every dollar spent in this industry approximately 82 cents goes towards labour. In other words, it goes into the pay envelopes of the workers in this country whether they be on the job or whether they be in the factory working on materials and supplies.

Speaking in this house a week ago the Prime Minister referred to the large increase which had occurred this year in the exportation of lumber from British Columbia. I thought it would be interesting to find out how much lumber was being consumed in Canada. I was not able to secure the figures for 1933, but I have them for 1929, 1930, 1931 and 1932. Deducting the exports from the production we find that in 1929 there was an apparent consumption of lumber in Canada amounting to 3,079,474 thousand board feet; in 1930, it amounted to 2,500,904 thousand board feet; in 1931, to 1,560,820 thousand board feet, and in 1932, it had fallen to 1,135,717 thousand board feet. The consumption had fallen from 3,000,000 thousand board feet in 1929 to a little over 1,000,000

in 1932. If we were to revive the building industry in Canada we would increase the consumption of lumber, provide more employment in the bush, more employment in the mills and more traffic for our railways.

From the figures I have given it would appear that the inauguration of a program of public works would be one of the best means of providing employment for those who are now out of work. The submission of the National Construction Council, to which I have referred, states that a survey made by the manufacturers of vitrified tile in Canada showed that 232 municipalities with a population of over 1,000 were in need of sewage systems. I do not think there is a city in Canada to-day in which a program of public works could not be put into operation if funds were provided. I understand that the city of Lethbridge has stated that if the government will furnish them with $500,000 free of interest for ten years they will engage upon a construction program and assume all responsibility for unemployment relief, thus relieving the federal and provincial governments of responsibility in that regard.

We know that the federal government has a large program of public works under consideration, and it ought to be put into operation. I know the minister has received many applications for public works and I am sure that almost every province would be glad to embark on a program of public works if financing could be arranged. I was told by the minister of public works of one of our provinces that he would like to have $5,000,000 for a program of bridge building alone. He stated that these bridges were all needed and that value would be obtained from the money so spent. I do not intend to go over the whole list of useful public works, but I shall give just a few.

Some people think that we have too many highways, but according to the census of 1931 there are 150,000 farms in Canada located on unimproved dirt roads. There is a great need for culverts and bridges, for safe railway crossings, technical schools, hospitals, power plants, power distribution lines, slum clearance work, and housing projects, both urban and rural. Our aim should be a home for every family, houses instead of slums, and homes instead of shacks. Reforestation projects should be undertaken, and there is a need for more parks. One of the latest plans under the new deal in the United States is to provide money for the remodelling of old-fashioned homes. The following is one paragraph which appeared in the United States News dealing with this new plan:

> President Roosevelt again is turning his attention to the home owner. This time he thinks that the man with a home may help along the recovery program by providing work for the laggard construction industry.
>
> To give him a real incentive, the President is prepared to ask Congress to appropriate $250,000,000 that can be loaned at low interest rates for home rebuilding and home repair. If this fund is eagerly used by the owners of the country's 25,000,000 dwellings, then it can be expanded to open a vast new field for government credit.

There is room in Canada for a similar program. It may be urged that we cannot afford such a program in Canada. Let us see, then, what is needed for a program of public works such as I have suggested. First of all, we need men, or labour; next, we need machines and equipment, and, lastly, we need materials. If we go over the whole list of such works we find that there are plenty of men available; there are architects, civil engineers, electrical engineers, artisans and mechanics in every trade. The same is true with regard to materials and machinery of all kinds. For highway construction we have ample supplies of gravel and rock; we have sand and cement; we have scrapers; we have horses and trucks for hauling. For bridges, we have the steel and lumber. For buildings of all kinds, we have plenty of brick, sand, stone, cement, lumber and hardware; in fact we have everything except glass, and we could trade wheat with Belgium for that commodity. The same thing is true of all the other works which I have suggested. Practically all the transportation facilities, materials and equipment that are necessary are available in Canada, so that any such works which are undertaken can be carried out with the use of our own natural resources and our own men. Why not therefore, proceed with the work?

Professor Henry Clay, a very prominent economist in England, says:

> If we leave money and credit out of account, there is obviously no theoretical impossibility of employing men who at present are kept doing nothing, on plant which is also idle, at any useful work within their capacity.

I agree absolutely with Professor Clay. We have all the men, the machines and the materials necessary, it is only a matter of organization to bring them together to get the work done. But in organizing, we use money to measure the value of labour, of machines and of material. Whether we like it or not, we cannot leave money out of account. Fortunately in this case, under our constitution the Dominion government has control of currency and coinage, banking and the issue of paper money, as well as the raising of money by any mode or system of taxation and the

borrowing of money on the public credit. As we are at present taxed to death, I want to rule out taxation as a method of raising money. In addition to having complete power with regard to the creation and control of money, the dominion has control of trade and commerce, interest, legal tender, immigration, tariffs, transportation, and so forth,— in short, over all the vital economic policies which determine whether or not the people of the country shall have employment.

As I have said before on many occasions, in my humble opinion the Dominion government should assume at least the major share of the responsibility for unemployment. This is just another reason why they should engage in a program of public works to give employment to the people. The question of money seems to be the sticker. Mr. J. S. Lennox, in his very interesting book entitled The Cause and Cure of Unemployment, which I am sure many hon. members have read, proposes that public works should be used as a basis for the issue of currency, that public works should be treated as assets and not as liabilities. When we learn to do that we will not have any trouble in financing public works. Whether or not we should go as far as Mr. Lennox suggests, the fact remains that the construction of public buildings to be financed by the issue of dominion notes has been suggested by hon. members in every section of the house. I know that many hon. members will agree that Canada can well afford to finance such a program by the issue of notes.

When I drafted this resolution last year, Canada had no central bank. Having moved, in 1931, a resolution asking for the establishment of a nationally-owned central bank, and having received no support from any quarter of the house except this corner, I did not expect that this year we would have one. Had I known a central bank was to be set up I might have suggested that the money be raised by borrowing from that bank on treasury notes of the Dominion of Canada. That has been done to quite an extent in Australia through the commonwealth bank, and it may be done here yet if we get a central bank—that is, if it is the proper kind of bank. The amount of dominion notes outstanding now is about $150,000,000 less than in 1920, so I am certain that we could with both safety and advantage issue $150,000,000 or $200,000,000 in dominion notes for this purpose. If this were more than was necessary for circulation, the notes would find their way into the vaults of the chartered banks and strengthen their cash reserves. They would also serve as a basis for the further extension of credit by the banks when the demand for such was created by improvement in business conditions.

I have one other suggestion to make if neither of these proposals is satisfactory to the government. The world conference, we are told, agreed that a 25 per cent gold coverage would be sufficient for our note issue. The government could buy gold produced in Canada to the extent of $100,000,000, or to whatever amount they thought best, and issue, on that $100,000,000, $400,000,000 of notes for financing such a program as I have suggested. Even if the $100,000,000 were borrowed at 4 per cent, this would be equivalent to a rate of 1 per cent on the amount of notes issued, which could easily be carried by the revenue received on business resulting from the circulation of the $400,000,000.

I have one further suggestion. As the primary purpose of this program would be to create employment, it seems to me that it would be wise to pay for at least part of the program with what is called stamped scrip money, a special issue of notes. Such scrip or notes would require to have placed upon them at stated intervals, preferably monthly or twice a month, stamps equal to 1 per cent of the face value of the note. I am suggesting 1 per cent, but it might be one-half or 2 per cent. The hoarding or saving of money and the slowing-down of the velocity of circulation have depressed business at least as much as if not more than the contraction in the volume of money in circulation. While present money is hoarded or lying idle in banks, this stamped scrip money would provide a substitute which would circulate three or four times as fast as ordinary money. The great advantage of stamped scrip money is its rapidity of circulation. It would not be inflation; it would put no strain on our gold reserves. If it circulates three times as fast as money, $1 worth of scrip will do as much work as $3 worth of orthodox money in exchanging goods and providing employment. The stamps required to keep it current would provide funds to retire the notes over a period of years.

Professor Irving Fisher, whom the Minister of Finance (Mr. Rhodes) quoted a few days ago as naming the men in the world who knew something about money, has given his blessing to stamped scrip money. In 1932 he wrote an article entitled "What Can Congress Do," and perhaps I might quote two or three sentences from that article, in which he discusses measures that might be adopted to break the depression.

He says:

There is, in particular, one measure little known as yet, but which, I believe, is destined soon to command nationwide attention, which might bring us substantially out of the depression if properly applied, in a few weeks. This is "stamped scrip." . . . Stamped scrip will give the consumer the buying power needed to start up operations from the consumer end. . . . One of the chief advantages of the stamped scrip plan, . . . is the speeding up of circulation. Any holder of the scrip naturally wants to pass it on before the next stamp date arrives. No one wants to keep it long. The stamp operates as a stamp tax on hoarding. . . . We ought not to wait four years. We ought not to wait even till the new congress assembles in March. Why should not the "lame duck" congress cover itself with glory by pulling us out of the depression in a few weeks by priming the pump through consumer demand and so let loose the waiting millions of bank credit?. . . But just now, as a capstone of what has already been done, we need what stamped scrip can give us and give us faster than any other means in sight.

I suggest to the government that they might cover themselves with glory before this term of parliament is over by putting stamped scrip money into circulation to prime the pump, as Professor Fisher says, and break this depression.

Mr. GEARY: What has been the experience of other countries with stamped scrip money?

Mr. COOTE: I do not know of any country that has tried it, but I know of quite a few municipalities that have done so, and if I had time I could give the hon. gentleman several very good illustrations of the success it has met with.

Mr. GEARY: I will give my hon. friend a great many illustrations.

Mr. COOTE: The hon. gentleman will have plenty of opportunity if he cares to avail himself of it. Mr. John Maynard Keynes, in his book, Essays in Persuasion, makes some very pertinent remarks which I will give to the house in my own words—I will not take time to quote him. He says that if our ability to produce goods is unimpaired and private spending is not sufficient to use up the production, we cannot impoverish ourselves, as a nation, in public spending to make use of the goods which we are able to produce; obviously, we shall rather enrich ourselves. Rather, we should look at it in this light; that the whole labour of the unemployed is available to increase the national wealth. It is crazy to believe that we shall ruin ourselves financially by trying to find means for using it and that safety first lies in continuing to maintain men in idleness, at the financial expense of the taxpayer. It is with our unemployed productive resources—men, machines and natural resources—that we shall make the new investments. Power plants, distribution lines, highways, housing projects, municipal water and sewer systems, technical schools, hospitals, mental hospitals, public buildings, and so forth, are all investments which the nation could well afford to make at this time. He goes on to point out the waste from unemployment. May I quote one short paragraph written in 1929 referring to Britain:

Since 1921 we have paid out to the unemployed in cash a sum of about £500,000,000—and have got literally nothing for it. This sum would have built a million houses; it is nearly double the whole of the accumulated savings of the Post Office Savings Bank; it would build a third of all the roads in the country; it far exceeds the total value of all the mines, of every description, which we possess; it would be enough to revolutionize the industrial equipment of the country; or to proceed from what is heavy to what is lighter, it would provide every third family in the country with a motor car or would furnish a fund enough to allow the whole population to attend cinemas for nothing to the end of time.

John Maynard Keynes is one of the men who according to Professor Irving Fisher, knows about money. I believe that the Dominion government has spent directly on unemployment relief in one year $41,927,000. I saw a statement in the press recently to the effect that the estimated total expenditure by all governments for unemployment relief in the past four years amounted to $250,000,000, and that has been paid out of the taxpayers' pockets, or out of money borrowed for the purpose. It seems to me that the time has arrived when we should find some other way of dealing with the question of unemployment.

In addition I should like to point out that this is a good time, from a financial point of view, to engage in the construction of public works; at no time since 1914 could they be carried out as cheaply as they can to-day. The index figure for building and construction materials now stands at 78 as compared with 100 in 1926. I should like to reiterate that an adequate program of public works would at this time mean simply making use of idle men, idle equipment and our natural resources to produce real wealth, real assets or new investments to balance the new money which would be issued to facilitate the work. Every day's delay in putting the idle to work is costing us thousands of dollars. The question, in fact, is not: Can we afford to carry out this program? It is: Can we afford not to do it? In the interest of the taxpayer, of the individual whose morale is being destroyed by enforced idleness, and of the state itself,

we should undertake this work without further delay and I hope the house and the government will give this resolution their most favourable consideration.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I am neither a sceptic nor a scoffer. I enjoyed listening to the hon. member for Macleod (Mr. Coote), because he was attempting to deal in his way with a very great problem. He finds that unemployment is a canker in the body politic and he would apply to it as a remedy a vast program of public works. If I have understood the source of many of the difficulties under which Canada is labouring at the moment, it is that the Canadian people, the people of the provinces, cities and municipalities have overindulged in public works. It is because they have paid out money which they are unable to repay to-day and because they have incurred liabilities, the interest upon which they find onerous in the extreme, that we are in distress at this time. The hon. gentleman, knowing well the poison which has brought about our illness, suggests an additional dose as a means of regaining health.

I agree with him that unemployment is a very serious problem, but I would suggest to him that a remedy other than the one which he has advocated, a remedy which is perhaps more simple and elemental, must be applied to the malady. I think we can all agree that disequilibrium in our population is the great cause of want and unemployment. It is true that farming is not a very prosperous undertaking to-day, yet there is no unemployment on the farm and in so far as eastern Canada is concerned, where farming is carried on more as an avocation than as a vast business, there is no lack of food, fuel or raiment, which, after all, are the things essential to livelihood.

In the city of Montreal in December, the last month for which figures are available, 202,895 people were receiving direct relief from governmental authorities and in April, 1933, 280,096 were receiving sustenance from the same source. In April 34·24 per cent of the population was receiving direct relief, while in December last only 24·79 was receiving direct relief. These figures should be considered critically because they show a decrease in unemployment despite seasonal unemployment which is a characteristic of Montreal, a seaport where there is a long, severe winter and where from time immemorial there are four or five months of the year when the great river is held in the grasp of the ice king, business slows down and employment is not available to a substantial number of artisans, labourers and others who, during the active season, are able to lay up enough to carry them over this long period. There has been some improvement in the situation, but the fact remains that that city is top heavy, other cities in the dominion have a population which is entirely out of proportion to the gross population of the country. The trend of population from the rural districts to the urban centres has been manifest for the last 40 years; in 1890, 70 per cent of our people were on the land, if we are to take the words of Mr. Taschereau, reported to have been pronounced in Montreal the other day, 70 per cent of the people of the province of Quebec are now urban dwellers. For this vast accumulation of population in a few centres there are many reasons; some of them are economic, some are due to the war and I daresay there are a number of undisclosed reasons for this turning of the people toward the cities. We have built up an industrial establishment, of which we are proud and which has aided to make this relatively small country the fifth trading nation of the world. We boast of that fact, and we have reason to be proud. It was while we were building up this machine and while we were taking men and women from the land to man it that the population of the cities grew so rapidly. During the last ten years fully 70 per cent of our entire growth has gone to the cities.

When depression came, when there was a cessation in trade, we found that we had vast numbers of people who were helpless, unable to provide for themselves, not luxuries, not comforts, but the things which are essential to the maintenance of life. They could not provide food, fuel or raiment. For a time we did engage in a program of public works, determined by the various provinces, but ultimately we had to turn to the dole and speaking for Montreal at least, to-day we are feeding at the expense of the public purse more than two hundred thousand people. I suggest, Mr. Speaker, that quick, quack methods prescribed by the hon. member for Macleod are inadequate.

We may establish a central bank; we may provide rural credits; we may enact laws providing for insurance against unemployment; these measures may help to reduce the acuteness of the malady but they will not cure it, because in our cities are hordes of people who depend for food and clothing upon industrial work and wages, and when these wages cease the people became dependent upon the state. I submit that a back to the land policy must be practised. I do not mean that we should send these people

to the outskirts of civilization and beyond. I do not mean that we should send them to Abitibi and Temiskaming. Last year from Montreal three hundred families went back to the land, but only a relatively small number of people are suited to pioneering. Pioneering is a profession for which people are not prepared by urban life. In the immediate vicinity of our large cities are organized territories provided with highways, schools, churches, telephones, electrical energy and all those things which go to make life possible and even agreeable to the ordinary man, and within those areas are any number of acres of good land which can be obtained at a very low price.

It is my suggestion that if public works are to be undertaken, these areas which are awaiting the return of those who abandoned them for the cities should be rehabilitated in some measure. It is not necessary that a family should have one hundred or one hundred and twenty-five acres; ten or twenty acres in the wooded districts of the eastern townships will provide a family with all the essentials. Where land is situated within reach of industrial centres there is bound to be a certain amount of interrupted employment in the factories which would provide workers with some money after they had met their immediate and urgent needs from the land. Moreover it is a strange thing that in Quebec, which is one of the oldest provinces and which is considered more rural than many of the others, there is produced only a small percentage of the foodstuffs consumed by the people of the province. To a greater extent, perhaps, than in any other province of the dominion the meats, vegetables and fruits consumed there are imported. Market gardening and small farming can be carried on to advantage.

I think this lends point to the suggestion that if people were helped back to the land within a radius of from twenty-five to seventy-five miles of the city of Montreal they could do much to bring back prosperity to the land and relieve the congestion in the cities. I do not suggest that every mechanic is suited for life on the land, but the fact remains that men were drawn from the farms into the factories during the days of great expansion. We built railroads, and some people think we built too many of them. We had to roll rails; we had to provide equipment. The late Sir Henry Thornton told the railway committee some time ago that within a few years, under his administration, the number of cars that had been scrapped and replaced, if put end to end, would reach from Montreal to the city of Kitchener. It was that type of work that gave employment in the cities. Highways were built, and machinery for their construction was necessary. Grain elevators were constructed, and they had to be equipped with all manner of devices which were manufactured in the factories in the cities. Conservation dams and other great undertakings, including waterways were constructed. All the equipment, all the explosives and the other tools and agencies necessary to carry out these great works, were made in the factories, which were located principally in the cities. I for one fear that these days are over, for the immediate present at any rate; I believe that no matter if better times do return there can be no resumption of the volume of industrial activity which will absorb our people into the industrial life of the country. Therefore it is necessary that something be done to find gainful employment, or at least self-sustaining employment, for those who have been out of work for two, three and even four years in the cities.

I said a moment ago that everyone is not suited for service on the soil, but let us take a census; let us find out what proportion of the people in the cities who are unemployed came from the land. I am informed that in the city of Montreal there are between 15,000 and 20,000 families, the heads of which are out of employment, who were brought up on the farm and know in a small way at least how to cultivate the soil and care for domestic animals. Those men, if they were given an opportunity, could grow the food which they require for themselves and their families, commodities which are now being bought for them by the various governments, federal, provincial and municipal. Under the government's policy for reestablishing people on the land an amount of $600 is allowed to each family. This policy has been carried out in conjunction with the railway companies. It may be entirely accidental, but the fact is that the points at which these families have been established are so remote from the points from which they originated that more than half of the amount allotted to them is consumed in transportation expenses. If they could be taken to an area where land can be cheaply acquired and where, in many instances, buildings needing only slight repairs already exist, where schools, churches and other incidents of civilization are available, I feel much would have been done both to rehabilitate the soil in the older sections of rural Quebec and Ontario and to relieve the strain of unemployment in the cities.

Then, there is the other class to whom the hon. member for Macleod referred, namely the youth, the boys and girls who have attained maturity during the depression and who for the last two or three years have festered in activity and have seen the hopes of youth blighted by a hoplessness which they may never be able to shake. They would welcome this outlet for their energies. Employment, life in the open, a sense of responsibility and respectability which comes from doing something, would be one of the not inconsiderable and invaluable results from such a policy.

We are now in the month of February. This is the time a census should be taken in the large cities. I know that would not be difficult in the city of Montreal, where there are social agencies representing every class, every creed and almost every nationality. These agencies would, I am confident, be glad to place themselves at the disposal of the government to take the census. When the census is taken in the early spring—because it is only then that the people can, with wisdom, be taken to the land—many thousands of families could be located at short distances outside their respective cities. This would give employment. Many of the unemployed have worked in the Angus shops and in the Canadian National railway shops. Their services under the present railway policy when so much track is to be torn up and there is a limitation in the need for cars and other equipment, and a tendency to pool the resources of the railway companies will not be in demand for some time to come. If these people could turn their energies toward the construction of modest houses, they could thus pay a substantial amount of the cost of their own homes.

There is nothing original in a scheme of this kind; it has been worked out by several people, one of whom is the mayor of Moncton. My suggestion is that now is the time to take the census; now is the time to ask the big cities to ascertain the number of their unemployed and unemployable, and to find out the number of those suited for reengagement in activities on the soil. I believe that a policy of this kind has more real value than some of the untried suggestions and schemes which could succeed nowhere except in the fertile minds and imaginations of their proponents. These old fashioned methods would do more than the new to bring relief.

We know that the people who first came to Canada had nothing but the soil, a few crude implements and their courage. The land is still here; we have implements, and I for one refuse to believe that the courage is lacking. This is a moment of trial, so frequent in the life of the individual as well as in the life of a nation. From the very first day of a plantation in Canada the Canadian people have had to encounter difficulties, arising from climate, Indian warfare, border feuds, conquests, racial hatreds, political difficulties, constitutional difficulties, and now economic difficulties—that is life. Someone has said that the "joy is in the journey" and "the secret in the search." We may not be able to make of Canada the Eden that the proponent of this resolution believes that its adoption would make it, but we can place within the reach of our people the means of providing food and other essentials for themselves, and make them again self-respecting, self-sustaining and free from, I shall not say the curse but the misfortune of being unable to provide for themselves.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in rising to support this resolution may I say, with hon. members who have spoken not only in this but in other debates during the present session, that one of the most serious problems facing Canada to-day is that of unemployment. Nor is unemployment a problem wholly related to those who are out of jobs; I have in mind many hundreds of people on the land, especially in the province from which I come, who, through the necessity of circumstances, are forced to go out seeking either direct relief from the municipalities or work of some kind so that they may be in a position to augment their meagre income. But to my mind the most serious aspect of this unemployment problem is the estimated 500,000 youths of this land who cannot find employment, I would ask any hon. member present what his answer would be to those youths when they ask him: Can you find employment for us? To my mind that is one of the most serious things, almost a disaster, that is overtaking this country of ours.

I realize, Mr. Speaker, that public works is not a solution of our difficulties, and no one I believe has ever advocated that public works conducted either by the municipalities or by governments, provincial or federal, would be a solution of all our difficulties. Nevertheless something must be done; we cannot stand idle while a half million of our people lack employment and well over one million need relief.

Some have criticized the policy of President Roosevelt in the United States—what is called the N.R.A. Personally I hope it will be a success, because it has a material bearing on the affairs of Canada and the welfare of our people. If the people across the line begin to purchase more and are provided with more of the sustenance of life, it is bound to react to the benefit of Canada. I hope the N.R.A. will be a success in three of its objectives. Its first objective is to put more people to work; its second, to put more purchasing power in the hands of the people, and its third to ensure a more just distribution of rewards as between labour and capital. Surely no hon. gentleman would dispute that these are three most desirable objectives to be attained.

Some have criticized us for boosting President Roosevelt and his N.R.A. scheme, but if it were true, as the Prime Minister (Mr. Bennett) stated, that many Liberals were hoping that the Ottawa conference would be a failure, it would be equally true for me to say that many members opposite were hoping that President Roosevelt's scheme would fail.

Some hon. MEMBERS: No.

Mr. REID: But I would not be so unkind as to say that. I have heard it stated by some that we were overlauding President Roosevelt to the exclusion of our own Prime Minister. However, I am not unmindful that the leader of the Senate, the Right Hon. Arthur Meighen, has seen fit to hand out a meed of praise to President Roosevelt, and so if I follow him for a few moments surely no member on the other side will criticize me, because he was their leader for many years.

The N.R.A. has at least done this: It has put five million men to work, and that is quite an accomplishment. Talking of the N.R.A. policy in the United States, someone said to me the other day, "I know what Canada's policy should be designated. It should be the N.F.C.—nothing for Canada."

Before dealing further with the resolution itself I should like to refer to a few of the remarks of the Prime Minister in the speech he made at Vancouver. His remarks towards the close of the speech I think were very ill-timed when he referred to the unemployed as "derelicts." In my opinion it was an insult to the unemployed to refer to them in that way and to ask: Where was the pioneer spirit of our fathers? Our pioneers, he stated, did not ask governments to wet-nurse them. There are thousands, Mr. Speaker, in this land who have taken very sorely to heart their being called derelicts, and hon. members who have interrupted, if they found themselves destitute and unemployed like many of our good citizens are, would feel just as keenly as they do about it.

Mr. BENNETT: The hon. gentleman knows perfectly well that he is not stating the facts. He knows it perfectly well.

Mr. REID: Mr. Speaker, it was accepted by many of that audience who heard it as referring to the destitute of our country.

Mr. BENNETT: It was not.

Mr. REID: It was so interpreted not only by myself but by hundreds who were there.

As to public works that might be carried out, there are many undertakings upon which the unemployed could be engaged at the present moment, and I shall take a few moments to mention some of them.

In British Columbia we have an undeveloped province with the settlers lacking roads which if constructed would be an asset. They will have to be constructed some time anyway, and to go ahead with that work now would not only be giving useful work to the unemployed but would be doing a national servince as well. There are many public buildings which could be constructed. There is also the question of forestry in British Columbia. I should like to suggest to the government that our large burnt-over areas be reforested. I am almost afraid to report what is being done across the line in that direction for fear of being accused of having strong leanings that way, but a great work in reforestation is being done in the United States, where thousands of youths have been taken out into the wide open spaces under proper supervision and are planting out trees which will be for the benefit of the nation in the days to come. That is a very commendable work which we might also do in this country. It would be a work of national importance and the benefits would certainly be reaped in after years.

I know that I may be asked, where is all the money to come from to provide works on such a large scale? I realize at the outset the danger of turning on the printing press. Past history has shown that the indiscriminate use of the printing press for the turning out of money has been disastrous to many nations. I am not advocating that we turn on the printing presses, but I am going to suggest that we could issue money even if we keep to the Prime Minister's principle of sound money with a backing of gold and so issue many millions more of dominion notes. I am going to place a few figures on Hansard

in support of that suggestion, and I challenge any hon. member to call it inflation when I am through.

The present gold coverage in possession of the government is roughly $70,000,000. I have the exact figures here, but I will use only round figures. The present gold coverage amounts to 38 per cent, and dominion notes issued amount to $184,427,000. That has been represented by the Prime Minister and by other speakers as sound money, with a backing of gold. Whether we like it or not, the fact of the matter is that our gold is worth more than that, as is evidenced by the export of gold during this past year from the gold mines of Canada, which drew some $23,000,000 extra owing to the fact that the dollar had been devaluated in the United States, or the price of gold raised to about $34 an ounce. Our gold to-day has a world market value, and Canada could obtain for it at least $34 an ounce; that is the gold which we keep in the vaults as coverage. However, if we took that gold at $34 an ounce, the present gold price, it would have a value of $120,000,000, and with a forty per cent coverage it would mean that we could issue up to $300,000,000 dominion notes, which would mean that we could then issue approximately a further $115,000,000 of dominion notes. No one can say that that would be inflation if they hold to the idea that there should be a forty per cent coverage in gold. Again, if the present gold coverage were reduced to twenty-five per cent, as advocated by the banking commission, we could issue at least $100,000,000, even though we held to the idea that our gold was not worth more than previously.

I am rather surprised that the Prime Minister has not taken steps to seize all the gold in this country. Evidently Great Britain is trying to capture as much gold as she can, and the United States is adopting the same course. I notice in to-day's press that aeroplanes have been carrying gold from France to Great Britain. If we are going to follow the financial program of a country like Great Britain, it is passing strange to me that the Prime Minister has not placed a ban on gold and has not gone further and appropriated all gold in the country. I suggest to him that he take note of the $23,000,000 extra which the gold mines received this year. I think that amount should at least be taxed and a great deal of that profit accrue to the government and not to the private mine owners.

In order to carry out this idea a little further, I should like to place a few more figures upon Hansard. If the gold that is lying in the banks and the present gold coverage of some $5,000,000 on deposit in the treasury by the banks were taken over by the Dominion government, it would mean that we would have a total coverage of over $100,000,000 in gold at the old figure. If our gold coverage were put at twenty-five per cent instead of forty per cent as at present, it would mean that we could issue up to $400,000,000 of dominion notes against that gold coverage. With a coverage of twenty-five per cent we would still have what is termed by some, sound money. As I have stated previously, gold is worth from $34 to $35 per ounce at the present time.

Mr. BENNETT: How much did the hon. gentleman say?

Mr. REID: Between $34 and $35 per ounce.

Mr. BENNETT: I wanted to be sure of what was said.

Mr. REID: If we valued our $100,000,000 of gold at $34 to $35 per ounce we could then issue up to $400,000,000 of notes. This Mr. Speaker would be along the lines of the argument used by the Prime Minister that we must have a coverage of gold. No one could call this uncontrolled inflation. It would not be turning on the printing presses as we would still have the gold to act as a bulwark or brake against the issuing of unlimited dominion notes.

It may be of interest to the house to know that the banks retain a considerable portion of the gold while still having the privilege of coming to the Dominion government and depositing provincial and dominion bonds for dominion notes. According to the returns made by the chartered banks for December there is some $38,000,000 in gold coin, etc., and over $5,000,000 in gold coin has been deposited as security. This represents a total of a little over $41,000,000 in gold. We could keep our gold coverage without being accused of inflation and could still issue many millions of dominion notes. I believe that this will be done before long; in fact it should have been done before this.

The interest alone upon the total public debt of Canada is well over $400,000,000 per year. How long are the people of this country to keep going to the money changers for that with which to pay this debt? In putting on a program of public works, the first thing the government should consider is how to make it possible for us to pay our debts. At present we have a debt burden of some $9,000,000,000 with interest charges of four and a half, five and a half and six per cent. According to this

report, the government has advanced since 1930 some $137,000,000 for relief. The interest on this amount for three years would be approximately $20,000,000 if computed at the rate of five per cent. If the scheme I am putting forward were adopted we would easily save the total amount of money which the Dominion government has put out in connection with relief.

I bring these things forward in the best spirit and in the hope that notice of them will be taken by the government. I realize that the proposal does not offer a solution for our unemployment problems, but it is at least a palliative and would help very considerably during these times.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, if I understood the last speaker (Mr. Reid) aright, he intimated that one hon. member who sits to your right, and that there may be more, had entertained hopes of the failure of the recovery plans now being promulgated in the United States. I have not heard of any such hope being expressed by any person, and I cannot for the life of me see why anyone should express such a hope. The two countries are so closely interrelated that the failure of a tremendous scheme such as that of the president of the United States could not fail to have consequences on this side of the line. If it succeeds, we are certain to receive some benefit. Why then should any man in his senses pray for its failure?

There is a difference between the two countries. The other night I heard the Prime Minister (Mr. Bennett) say that even if this spending program of the United States, involving some $15,000,000,000, were put into effect and that amount added to the debt of the United States, that debt still would be less per capita of the population of the United States than is the present debt of the Dominion of Canada per capita of our population. For some time the United States has been a creditor country while Canada is and has been a debtor country. In forming any plan we must keep these differences in mind. To consider that we should follow slavishly an example set by the United States is absurd when we consider the differences between the positions occupied by the two countries. If we can get something out of what they are doing to enable us to adopt a course which is good for our own country, we would be extremely unwise not to do so.

I am sure the hon. member for Macleod (Mr. Coote) will credit every hon. member in this house with the same sympathy for the plight of the unemployed as that he has expressed. I regret that the hon. member for New Westminster (Mr. Reid) does not seem inclined to credit the Prime Minister with entertaining the same sentiments. His remark in that connection was entirely unjustifiable, and I should resent it very much if it were made to myself or of myself; and I am sure that the Prime Minister has every right to feel the same way, if indeed he has paid any attention to it at all. If you turn to the speech from the throne you will find towards the close of that document the following words:

> My government propose further to promote employment by expenditures on essential public works and undertakings throughout the dominion.

So that we have at the inauguration of this session a declaration by the government that it proposes to do something along the line suggested by the hon. member for Macleod (Mr. Coote). I am not so sure myself that expenditures in that way will have the good effect which many people hope for from it. To me it savours rather of a stimulant, in medical parlance a shot in the arm, the effect of which is very likely to wear off, leaving the patient worse than he felt at the beginning. If it is the view of the government that, to the extent indicated, it will be a good thing towards inaugurating rapidity of circulation or augmenting the purchasing power of the people, I am perfectly prepared to subscribe to their better judgment in that regard. But when my hon. friend speaks of large scale undertakings, I assume that he means something which is not necessarily self-sustaining or necessarily, in the words of the speech from the throne, essential public works and undertakings, but something that is designed to go on and on and on until I suppose there will be no harm done by its withdrawal because conditions will then have improved to such an extent that it is not required. That however contemplates an outlook on the future expenditure of money which I cannot reconcile with good business at this moment. My hon. friend from Macleod takes that view I am sure because he does not propose that any such scheme should be financed through the ordinary method of issuing bonds and paying interest upon them. Rather, he reverts to that well known theory of his, that we could issue a great deal of money in this country without coverage, as I have heard him declare on some occasions, or at all events in a manner quite dissimilar from that we are pursuing at the present time. There again I must leave the hon.

gentleman; the proposal suggests too much what my hon. friend from New Westminster spoke of—turning on the printing press. If we look at the speech from the throne, on the preceding page we will see that His Excellency speaking of the world monetary and economic conference, said:

> The conference adjourned without dealing with many important subjects, but arrived at conclusions of especial interest and concern to Canada in respect to central banks, the gold standard, and the percentage of metallic coverage essential to the successful functioning of gold as a medium of international exchange.

Having that pronouncement in mind, we may rest assured that none of the possibilities contemplated by my hon. friend from New Westminster will be overlooked. The government and those entrusted with handling the financial affairs of the country will have all that in mind, and it may be that it will result in a further issue of money, either by reason of the increased value of gold or by reason of the decrease from 40 to 25 per cent in coverage. Whatever effect it may have on the issue of money, I can assure my hon. friend, both as to public works and as to the consideration of the advisability or the necessity, or however you like to put it, of an issue of further money with the gold we have now in hand, we can pass from these subjects, feeling that they are under consideration by the government.

My hon. friend from Macleod again invoked some of the names which are becoming almost household words in this chamber. Again I heard the names of Keynes and Clay and Fisher, and I don't know how many more. Someone acquainted with the doings of these people in England told me that there is a body of them numbering five who meet in Oxford quite often, and that from every conference they hold there emerge six diametrically opposed opinions, of which as a rule Keynes holds two. I do not for a moment suggest, however, that we must not listen to these men; I do not suggest that we must not listen to those who have opposing views. I do feel, despite something the Minister of Finance said the other day, that this matter of money, the monetary system, has been so thoroughly discussed by all and sundry in this country in the last two or three years that we must by this time have developed some expert knowledge of the subject, at any rate enough to enable us to say in this house that we are in a position to discuss the matter with some assurance, at all events, that we know what we are talking about, and that if we do not know what we are talking about we at least know what we want to say. These gentlemen are so varied in their views that there come to my mind the words of Dean Swift—I forget just where he said this: "If the fleas had been unanimous they would have pulled me from my bed." It may be therefore that if we ever could secure from these people some sort of unanimity—and I do not speak of them disparagingly as fleas—they might pull us out of our difficulties.

If you engage in the exploration of an entirely unknown field such as that suggested by the hon. member for Macleod, I think we should pause to think very seriously whether this should be the country to pioneer in that regard. So far as I know, and I am subject to correction, there has been no issue of what is called stamped scrip by any country. My hon. friend said that he knew of none, and I ventured the remark that I could cite many instances of the issue, not of stamped scrip but of scrip. I remember in the closing days of the war every little municipality in France had its own scrip, and some people who were fond of albums bought enough to cover the pages of a first class album—scrip issued by municipalities, all of which went wrong. The method has not proved itself to have been efficient either as a means of accelerating currency or as taking the place of the ordinary currency.

Then it is suggested that we should simply issue money without any interest being paid upon it. That is a very attractive proposition and I do not see why, if it is sound, it should not be extended to our whole debt. Germany did it by the simple process of running her mark down to nothing. By repeated applications of the printing press she discharged the bonded debt of her industry at absolutely no cost at all. But I take it we have not got to that stage in this country; as I say, it savours too much of the printing press. I do not boggle at the word inflation. We have, goodness knows, inflation to a large extent now. It is recognized that the United States dollar has been depreciated; there has been inflation over there to 40 or 60 per cent of the original dollar. Now, we carry along with the United States. If you look at the exchange lists to-day you will find that our dollar is very close to the dollar of the United States, and if that dollar is depreciated our dollar is depreciated to the same extent. My hon. friends opposite were very keen last year on tying the dollar to the par value of sterling. At that time this looked like quite a good thing, because for a pound sterling one could get in this country only some $3 or $4. It worked out in this way, that if you sold so much wheat over there for so many pounds

sterling and we raised our currency to parity with the pound, you would get so many more dollars over here for that number of pounds. But if we had done that and stuck to $4.86⅔ as was proposed, we would be losing at the present moment a considerable balance in exchange. This only goes to show—and I do not use it as an argument in this matter particularly—that when you try to tie up to anything that has not a definite and sound yardstick to measure it, you have to follow it up and down through its various vagaries until at no time can you tell where you will be if you want to sell a bill of goods to be paid for next month.

Mr. COOTE: Will the hon. gentleman mention anyone who suggested tying our dollar to the pound?

Mr. GEARY: I thought my hon. friend who has just spoken, did. I understood that was his idea last session.

Mr. COOTE: I never advocated such a proposition; I advocated that our dollar should be worth at least as much as the pound. I advocated that our currency should, possibly, be at least on a parity with Australian currency.

Mr. BENNETT: On one of our agreements last year the hon. member moved an amendment to tie the dollar to the pound.

Mr. GEARY: I cannot say just from whom the idea emanated. All I can do in that regard, because I do not have the record before me, is to stand in the judgment of Hansard; that will settle all questions between us. If I am doing my hon. friend an injustice in saying that he suggested tying our dollar to the pound, of course I accept his word.

Mr. COOTE: All I wanted to do was to make it clear that I did not advocate tying our dollar to the pound. I may have advocated that our currency should be at least as high as the pound. That is a distinct difference.

Mr. GEARY: I think we are rather quarrelling over words. That was the essence of the proposal made, perhaps not by my hon. friend, but I am quite sure, supported by him if he did not make it. Of course I shall accept his correction at any time he chooses to make one.

It is suggested by my hon. friend that it is quite legitimate for the government to issue money for expenditure on public works, taking those public works as a sort of security. I have never been able to see that argument. Public works are no security so far as I can understand; they are not realizable; they are not saleable; they have no market value; they have no value at all unless to the person who puts them up, except in very rare cases where perhaps they might be available for sale. Where one talks of issuing money against, as my hon. friend says, the security of a public building, one does nothing of the sort; one simply issues the money on the taxpaying ability of the people of Canada.

Mr. EULER: Is that not pretty nearly the case as regards all our currency? As a matter of fact, there is not enough coverage.

Mr. GEARY: While we are not to-day redeeming in gold, the security as recognized by the world is there. I am not wedded particularly to coverage. What I am wedded to is the view that we should not by legislation change the value of our currency so as to put it on a basis that is manifestly inferior to what it is at the present time, because when one does that, he is deteriorating our currency and the result would be bad. I have said in the house before—and it is no new thing—you may inflate by the printing press or otherwise, as you please, and if there were an iron ring around Canada, your exchange might be anything; it might be wampum, one dollar bills, ten dollar bills, sharks' teeth, anything you can name as long as we do not go outside our own country. I do not think, however, we claim to be economically self-sufficient and I do not think we expect to be. We must depend upon our international trade, our international relations, and it is beyond my ken that in any country which trades internationally there can be any system of currency which is not capable of being measured against that of another country by some sort of yardstick. The United States has now gone back, not to the old pre-war gold standard, but to a gold standard; it has gone back to a measuring stick which is gold, and we must all look forward to going back to something of the same sort.

My objection to my hon. friend's motion is not as to the public works program. The government has apparently a program of public works under consideration, but the hon. gentleman has spoiled his motion, it seems to me, by a system of financing it which is not sound. By his system a great deal of money will be issued by unsound means; the farmers may get so many more dollars for their ton or bushel of wheat, but with those dollars they cannot buy any more than they could before the dollar was inflated.

I do not intend to attempt to go into this question exhaustively. I cannot agree with

the method suggested by my hon. friend for raising the money, and the question of the expenditures themselves and how they should be made is, according to the speech from the throne, a matter which is now under consideration by the government.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I have been greatly interested in the debate this afternoon; it has brought out many diverse opinions. I am bound to say that with much that has been uttered by the last speaker (Mr. Geary) I agree; but when he states that a public building has no value as a coverage for the issue of currency, to some extent I must disagree with him. I cannot see any difference between the borrowing, which is the usual practice, of the money necessary to construct a public building, having the bonds mature ten, fifteen or twenty years hence and paying interest on the investment during the whole period, and the issue within reason of money for a public building that is a permanent asset, less, of course, depreciation. I can quite appreciate the fact that my hon. friend is fearful of inflation and too much money, but in my opinion the money is not going out of Canada; this is a domestic undertaking and has nothing to do with our exchange, and during the period of the investment we may well be in the position in which we are to-day, that we still have the necessary gold coverage, or, if need be, we can reduce it to twenty-five per cent.

I am opposed to the unlimited printing of money, because this would be useless, but I am fearful of our position generally in Canada, not alone that we are debtors to the extent of $9,000,000,000, which is a colossal sum for the Canadian people to pay interest on, but that we have our own federal debt, plus our railway debt which, as was mentioned by the Prime Minister (Mr. Bennett) a few days ago when he was speaking in the house, we shall have to assume. For the life of me I cannot see that it is safe for the federal government to borrow more money and pay interest on it. The worst feature of the situation is that in all probability for the next few years we shall be faced with inability to provide by way of taxation the necessary revenues to carry on our ordinary everyday expenses. We are not the only sinners in that respect. The provinces are following in our footsteps, so that we have not a pleasant financial prospect to face. If the government, as announced in the speech from the throne, intend to begin the construction of public works to relieve unemployment, then to me it seems that the safe course to pursue is to issue additional currency to a reasonable amount for that purpose. I do not say it should be issued to an unlimited extent, but I do hope they will not go into the marts of the world and borrow more money, thus adding to the public debt of this country upon which we now have difficulty paying the interest.

I do think this will be helpful; I quite agree with other speakers that it will not meet the situation in its entirety, but I think perhaps it would help carry us over what undoubtedly is going to be another serious year so far as unemployment is concerned. For a few moments to-day I had the pleasure of talking with General McNaughton, and I was rather pleased to learn that the result of the efforts of the federal government to provide employment, not necessarily paid employment but at all events to give men who could secure no employment, food and clothing—

Mr. BENNETT: And shelter.

Mr. STEWART (Edmonton): —though I do not think we need bother to mention the remuneration they receive. I learned that almost fifty thousand young men have passed through the hands of the department. That is a very large number of our citizens, and if fifty thousand more men could secure employment under the plan now proposed it would all be helpful. Naturally this would apply not only to unmarried men but also to married men who are in receipt of relief to-day.

Mr. BENNETT: I just want to correct the hon. gentleman on one point, because I know he will be anxious to have it right. Fifty thousand men have passed through their hands, but there are twenty-one thousand men still in their employ.

Mr. STEWART (Edmonton): I was merely mentioning the number given me by the general as having been employed from time to time since the inception of the camps.

I do not intend to go into the question of unemployment generally; we all deplore it and we all agree that something worth while should be done. I merely wish to say that so far as I am concerned I personally do not agree with the idea of going into the money marts of the world and borrowing funds for this purpose. I think plenty of work can be provided in the construction even of public buildings that are required by the federal government throughout Canada. I do not say that by this means we will employ a very large percentage of the men now out of employment, but it will be helpful and in my opinion it will be safe. So I hope that when the government bring down their program

they will bear in mind the two points I have mentioned, that we should not be charged with inflation, that we shall have plenty of coverage for the issue of this currency, and that the injection of this currency into circulation will be helpful in many quarters and will provide employment for those who cannot secure it otherwise.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I should like to say just a few words in support of the motion moved by the hon. member for Macleod (Mr. Coote): The hon. gentleman has a certain amount of expert knowledge along financial lines. I do not say that I have any such knowledge, but it often occurred to me that a sound system of finance that impoverishes three-quarters of the population must have some flaw in it somewhere, and that is what has happened within the last few years.

I do not see that it should make any particular difference to the credit of the country if the dominion were to issue $100,000,000 of new currency or if the government should establish a credit of $100,000,000 in order to carry on some kind of work. The hon. member for West Edmonton (Mr. Stewart) is concerned about the debt of the country, and I should like to say something in this connection because I believe I know more about it than I know about finance. I believe it is absolutely impossible to carry on the system under which we are living without an ever-increasing amount of debt. I say it is impossible for this reason, that the producers of wealth never receive for producing that wealth sufficient to enable them to consume it, and consequently the surplus values which they produce cannot be removed from the market or disposed of except by creating new debt. That debt, whether it arises through investment in new capital equipment, whether it arises through government borrowings for public works, or whether it is spent in destructive effort in war, keeps piling up. There is no possible way by which those surplus values can be disposed of except by creating debt, so the longer the capitalist system continues the more debt we will have.

I believe that in dealing with this question of unemployment we should take it for granted that every other hon. member of this house is just as interested in the problem and its solution as we are. Last year I spoke at many meetings at which I criticized the Prime Minister and the policies of this government, but I always stated that I was satisfied that the Prime Minister was just as much interested in finding a solution for the problem of unemployment as I was. But I wish to go further than that. The Prime Minister insists on trying to find a solution within the ambit of the present system, and I say that a solution within the ambit of capitalism is absolutely impossible.

An hon. MEMBER: No.

Mr. MacINNIS: Very well; bring forward your solution and pass it on to the Prime Minister. I am sure he will be glad to get it, because he has been looking for a solution for the last four or five years. Even if we went back to the peak of employment and production that existed in 1928, still one-half of those unemployed to-day would remain unemployed. The technological improvements in mechanical equipment make it absolutely impossible to decrease unemployment unless we increase very substantially the rewards to labour in the production of wealth. That is the point we should bear in mind, that no matter what steps we may take here, whether they be by way of shortening hours of labour or the provision of public works, they are merely palliatives, though even palliatives should not be turned down in an emergency of this kind.

I do not think there is any particular merit in the solution offered by the hon. member for Stanstead (Mr. Hackett), who suggested going back to the land and living as our pioneer forefathers did one hundred or one hundred and fifty years ago. Why stop there? If we are not to take advantage of all the advances that have been made during that time why should we stop at one hundred years back? Why not go back many thousands of years and live in caves in the earth, as our forbears did? It is just as logical to suggest one as the other. As a matter of fact, life is very simple, if we would only take time to analyze it and not base our assumptions on preconceived ideas. Man has always been able to sustain himself, and has always done so. Primitive man provided himself with food and if he needed clothing he provided himself with it. But, as man advanced and gained knowledge certain divisions of labour came about, so that instead of one man doing all the labour necessary for his own sustenance he did only a certain part of it. Then he exchanged directly the product of that labour with some one else for something that person had produced. Now that we have reached the machine age although everyone of us, when he can, performs some useful social function in society, we are unable to exchange with others without paying tribute to a third party.

I am a street-railway man. When working in my home city I take various people to

work in the morning,—the tailor, the baker, the barber, the candlestick maker, the carpenter, the machinist. In taking those people to work I am merely exchanging certain services for services these people are performing for me. The tailor makes my clothes, the barber cuts my hair, the carpenter builds my house, and so forth.

Mr. GOTT: I rise to a point of order. The hon. gentleman has spoken for ten minutes and has not referred to the matter before the house.

Mr. SPEAKER: The hon. member addressing the house is in order.

Mr. MacINNIS: The resolution under discussion is very wide and if the hon. member for South Essex (Mr. Gott) does not like what I have to say he does not have to listen to it; consequently he will not learn anything.

The point I make is this, that while we are performing these services we are paying tribute to certain other people who have gained control of our activities. The amount they take in tribute has become so great that there is not anything left in the hands of the producers which will enable them to consume the wealth they have produced. If hon. members wish proof of my statement all they have to do is to refer to the resolution passed only a few days ago concerning the appointment of a committee to investigate the spread in the prices of commodities. The condition I have described has become so unbearable and so obvious that in these days everyone can see it.

I suggest the resolution moved by the hon. member for Macleod has considerable merit not as a solution for our problems, but along with certain other palliatives it would be the means of doing something for the great number of unemployed who find themselves not only suffering physical discomfort but who are in danger of losing their morale in the struggle with the conditions confronting them.

Mr. J. H. STITT (Selkirk): Mr. Speaker, I have listened with a great deal of interest to the resolution before the house this afternoon, and in order that anything I have to say may be properly recorded I beg leave as an introduction to my remarks to read the resolution. It is as follows:

> That, in the opinion of this house, in view of the large number of unemployed, and with the necessity of increasing the purchasing power of the people, it is expedient that the government give immediate consideration to the inauguration of a large scale program of public works, to be financed by a direct issue of non-interest bearing dominion notes.

The people in my constituency, and those of the province of Manitoba certainly expect me to make some contribution to this debate. I do not pretend to be an expert economist; I do not pretend to have a solution, but while attending a university for a period of three years before the war I had the pleasure and experience of trying to master some of the principles of economics. Then, following the war I was employed for a period of three years in the bureau of statistics, and for another three-year term I have been a member of this House of Commons. During my membership in this chamber I have learned something from the debates. May I say at the outset that I agree very much more with the hon. member for Macleod (Mr. Coote) than I do with the hon. members for Stanstead (Mr. Hackett) and South Toronto (Mr. Geary) who spoke this afternoon. I should also make it clear that in accepting the nomination as a candidate in the constituency of Selkirk I told the electors assembled that if the time came in this House of Commons when I believed the interests of my country were in conflict with those of my party, my country would get my vote.

I do not see any great reason why the government cannot accept the motion now before the house. It is already committed to a program of public works, although it is not stated in the speech from the throne whether or not there will be a large-scale program. In the very nature of things, if the program of public works is to be used as a remedy for unemployment it ought to be not a small but a more than ordinary program. From rumours I have heard and from reading between the lines I believe the government is contemplating a rather extensive program.

I should like to say this afternoon something which I hope will sink into the minds and hearts of every hon. member of the government and every hon. member supporting it. Before doing so, I must ask you, Mr. Speaker, to call for better order. I should like in this connection to refer to the reasonable speech made by the hon. member for West Edmonton (Mr. Stewart). There is an issue facing the government to-day the like of which has never faced any government in Canada. To the extent to which the government faces that issue it will be either victorious or defeated. Nay, more, Mr. Speaker; the welfare of the great mass of humanity in Canada will be enhanced, or the opportunity will be lost. There can be no doubt about that. If I could write upon the wall like the prophet of old, "Mene, Mene, Tekel, Upharsin." I would take the words of the hon. member for West Edmonton and say, "Beware, before you commit yourselves

to a policy of going out, borrowing money and adding to the already burdensome debt of interest overhanging Canada at the present time." I suggest that the government do not neglect the proposal contained in this resolution, and that it consider the financing of public works projects by the direct issue of non-interest bearing dominion notes. I want to make myself clear. I do not believe in uncontrolled and unwarranted inflation, but I say that we have entered into an agreement with the great powers of the world—I believe that Canada is a signatory to that agreement—whereby our gold base may be reduced to 25 per cent. We are standing at the threshold of opportunity when the value of gold has been increased to this enormous extent by the action of the President of the United States, who has handed to this government and to this country, if they want to take, it, a present of almost $60,000,000. That is the situation to-day.

There is this to be said for the proposals enunciated by the hon. member for Macleod. He was fair and reasonable throughout the greater part of his speech. He did not advocate uncontrolled inflation. I want to say this right here in this house, that I believe that the kind of preaching of sound money that we have had in this country is wholly unsound. It has been sweet-sounding for the receivers of interest, but it has meant fury for the masses of Canadians; there is no doubt about that.

I cannot, however, follow the hon. member for Macleod when he proposed that this money ought to be issued in the form of scrip and that through stamps affixed thereto it should depreciate by one per cent per month.

Mr. COOTE: I made that as one alternative suggestion. There were several others.

Mr. STITT (Selkirk): I do not think that suggestion is acceptable because it occurred to me, when that suggestion was made, that after a period of eight years the symbol of wealth which he proposed, namely scrip, would be automatically destroyed. But there is another reason even more cogent why his proposition should not be accepted. We would then have two kinds of circulating media in this country. We would have a poorer medium as against a better medium, and according to Gresham's law, which would immediately start to operate, the superior medium would be hoarded and the inferior medium would go into circulation. I do not think that you can have in any country a currency medium of more than one kind. I think the experience of the world has tended to show that the inferior medium always drives out the superior and more excellent one.

Nor can I quite agree with the hon. member for Macleod that that is the best way in which to give purchasing power to the people. There certainly is more than one way which ought to be considered. It is, however, one way by which we can secure purchasing power for the masses of the people and give them considerable employment.

The hon. member for Stanstead (Mr. Hackett) in his remarks said that there was no unemployment on the farm. It is true that there is plenty of employment on the farms in Canada to-day, but the agriculturists of this country are almost in a state of serfdom. They are down almost to the status of peasants on the soil. What is the situation that we have in western Canada? Half our export market has been lost; the price of wheat has been reduced almost by fifty per cent, and the whole grain-growing industry has to operate on a twenty-five per cent basis. Is this the time to increase the competition amongst producers on the farm? Is this the time to make more difficult the conditions under which agriculture is operating in this country to-day? That is only a palliative that will last only a little while. It is not really trying to mobilize the forces which we have in this country, and it is not a serious attempt to really cope with the situation.

I remember also that the hon. member for Stanstead said that we have built up in this country an industrial system of which we are proud. But, Mr. Speaker, I for one am not very proud of our industrial system. I do not see how any man in this house can be proud of the situation to-day, with thousands of railwaymen, for instance, thrown out of employment, and where the artisan and the mechanic has no longer any function to perform, where not only are the muscles of men deteriorating through idleness but the skill which their hands have learned through years of labour is being lost, and where hope is fading from their eyes and faith is dying in their hearts of having any reasonable kind of future life. No, Mr. Speaker, I cannot agree with the hon. member for Stanstead when he says that we are proud of our industrial system. I am ashamed of it, Mr. Speaker.

I had occasion the other day to speak in a church in this city for a little while, and I could not help saying that when that little group in the corner of this house says that things are wrong, they are certainly express-

ing the truth. Things are wrong, and no matter what speeches are made on this side, no matter how many platitudes are uttered, no matter how we may talk of the spirit of the pioneers, I say that what this country wants is the pioneer spirit in legislation—the spirit that is not afraid, the spirit that is not the high priest of the status quo, the spirit that will go out, to use the words of Lloyd George, and develop our domain, and that will bring to the masses of humanity the necessities of life, for those necessities exist in abundance if only we have the will and the energy and the inspiration to find a way of bringing them to the people.

As there is going to be a program of public works in this country I think that the government should give very serious consideration to the motion that has been proposed. I have just been worrying about an attitude that the government might adopt, and I am going to tell the government through you, Mr. Speaker, if I may, just why I have been worrying as I have been. We have a situation existing in Canada in which we have to pay many millions of dollars in interest on the obligations of the national railway. According to the information that was given to the house by the banking committee last year, that situation is costing us $428,000,000 in interest annually. What are we going to do about it? Are we going to reduce taxation? Are we going to issue money on a twenty-five per cent gold basis and on a plan, consequent upon a revaluation of gold, so that we may cut down taxation? Are we going to refuse to give the people of this country the services they require and lose the opportunity of stimulating business? Or are we going so to organize and control the situation that we shall be in a position to give to the masses of the Canadian people the opportunity they deserve? There is no man or no group in this house that I need be afraid of and I want to say again just as profoundly and deliberately as I can that if this money that can be obtained by the reconstruction of our finances is not used in a humane, in a heroic and in a reasonable way to promote opportunity in this country, then the government will be defeated. In my humble opinion it will deserve defeat.

There is perhaps another matter to which I should refer. I think that one of the great difficulties which we are facing at the present time is the interest burden which the country is carrying. One of the reasons for this is the loss of equilibrium between the value of money being paid in the way of interest and the wages received for labour and prices

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obtained for other commodities. How can a man who agreed years ago to pay eight per cent interest upon an obligation feel that it is equitable for him to have to pay that nominal amount when he has to produce two and one-half or three times as much goods to meet his obligation? I believe that the time has come when we shall have to get money out of the pockets of the hoarders and put it into the pockets of the spenders. Any scheme which can be elaborated by this house to do that very thing will help to solve the situation.

As an example, let us consider the situation of a farmer who contracted an interest obligation in 1926 when wheat was selling at $1.56 per bushel. With wheat selling at 52 cents per bushel last year, that man had to produce three times the amount of wheat in order to pay the interest upon an obligation contracted in 1926. A nominal rate of interest of eight per cent in 1926 becomes twenty-four per cent when based upon present-day purchasing power. That is usury. When we talk about the sanctity of contracts and when we sanctify nominal rates of interest we forget that what looked like a reasonable contract in 1926 has become a slave pact in 1933. I think it was revealed last session that the parliament of Canada has the power to reduce interest rates already contracted for, and I believe we should exercise that power. If I have the time I shall try to develop my argument.

One of the great difficulties we are facing at the present time is the fact that we are in the straitjacket of interest. These long term contracts have taken possession of our whole body politic and economic and we do not seem to be able to extricate ourselves from the burden which is overpowering us. But we could do so by means of a simple amendment to the Interest Act. All we need to do is to state in clear-cut language that all interest rates contracted for and payable in Canada are to be reduced by thirty-three and one-third per cent. The question may be asked: What is going to happen to our external debt? What will happen to our external debt if we go on the way we are going? We shall not pay any of the principal, let alone the interest. A true Conservative policy, a true Liberal policy and a true Progressive policy is one which faces facts. It is one under which the debtor can meet the creditor and say: This is all that I can pay; these are all my goods; this I will pay you but give me an opportunity to conserve some portion of the money you have loaned me and provide me an opportunity to pay you without becoming your slave.

It will be stated that we owe $4,000,000,000 in the United States and that we must pay the interest upon this obligation. I believe that matter could be arranged by the international joint commission. I believe we could go to the United States and say something like this: Uncle Sam, we have been the best payers in the known world; in the past we have paid you all the interest and the principal we agreed to pay; we have also paid you a pretty penalty by way of exchange and we have given you nearly all the gold that we have produced during the last three or four years; when we borrowed this money you were willing to take our grain, our wheat, our coal and our lumber but you have now closed your doors; instead of leaving us a reasonable opportunity to pay you, you have put us in a position of serfdom. That is what the American tariff policy has done to this country. England is not able to pay her obligations to the United States. The Argentine is not able to pay and Russia still owes $500,000,000 which she has refused to pay. Why cannot we say to President Roosevelt and his advisors: You have a National Recovery Act in your country and we need one in ours; you as a great nation are dedicated to the principle that you cannot exist half slave and half free and we ask you to extend that principle to us your northern neighbour.

There is another way in which this could be done. In the act which we could pass curtailing interest rates by thirty-three and one-third per cent there could be a final clause to read as follows:

> This act will not become operative until proclaimed by the governor general in council.

In the meantime we could go to the United States and show them the situation which exists in this country. We could say to them: Let us float new loans in your country at one-third less interest and thereby give us a chance to preserve our autonomy and our position as a creditor country.

Four billion dollars is owed to the United States and something like $1,400,000,000 to England. What has England done? The government of that country reduced the interest rate on a large loan, I believe it amounted to hundreds of millions of pounds, from over four per cent to something like two and one-quarter per cent. Did we not spend $2,000,000,000 in money and sacrifice the lives of 60,000 of the best of our sons to go to the assistance of England and the empire? Why could we not say to them: If we are British subjects and have paid you this tribute, why can you not give us an opportunity to free ourselves from these shackles that bear us down? Give us a chance to live and to perform the services which are required by our people.

There is still another matter upon which I should speak. An excellent means of assisting the promotion of prosperity and increasing employment in this country would be provided by the creation of a reconstruction purchasing board financed by new money issued on the new gold basis. This would link up the buying power of agriculture and put the industries of Canada to work. This question may be asked: Is there any credit left in Canada; is there any purchasing power? Yes, there is. I believe it is true to say, of over 50 per cent of the farm owners and home owners in Canada, that they have no mortgages whatsoever on their lands and homes. I believe there are many farmers and home owners who have mortgages of less than 25 per cent of the value of their properties and upon which all interest and taxes are paid to date. By a questionnaire which can easily be devised in the bureau of statistics an examination can be made of the purchasing power of these Canadians. Questions like these might be asked: Your name, your legal address; the municipality in which your land is situated; the encumbrances upon your farm or property; the amount owing, and whether taxes are paid or not; how much of your land is developed, and so on. A number of other questions would suggest themselves, all intended to ascertain the purchasing power or credit of the individual. Through the officials, the information received in answer to the questionnaire, might be verified by means of four letters. One letter could be sent to the registry office in which the land is located, to ascertain whether there was any encumbrance or not. Another letter could be sent to the assessor to see what the situation was in regard to tax payments and as to the amount of land cultivated and developed. A further letter could be sent to the bank manager, or a letter might be sent to the municipal official regarding the credit of the individual; and by means of a reconstruction purchasing board we could begin to place orders in the factories upon receipt of orders from the home owner or farmer, which would mean employment for citizens and credit extension for the farmers and home owners.

I am told that it is imposible to work out this scheme. It is not impossible; I contend that it is quite easy. I worked on questionnaires in the industrial census for three years in the civil service of this country, and the essential element in the scheme I propose is that it will prevent hoarding. No money

would be lent as money to the farmer or the home owner. The orders would come from these people to the reconstruction board and would then be offered to the manufacturers, and the money for the goods would be paid to the manufacturers or their agents direct, secured by a lien in the form of a promissory note from the agriculturist. By this scheme the $100,000,000, if it is going to be created, could be put into circulation in the most feasible way, and it would guarantee a greater velocity of circulation than any other scheme I have been able to think of. It would mean that the farms would be reconditioned; old barns and homes would be repainted and redecorated. After the plan had been in operation a few months the board would find itself in this position; it would have orders possibly for four thousand mowers, five thousand binders, ten thousand sets of harness, fifteen thousand cultivators, twenty thousand democrats; and the farmer or home owner would be able to specify in his order to the board the particular kind of article he wanted. This would insure his getting a standard article and that the money was not being placed by those who were hoping to further their own political fortunes.

Just realize the situation we are faced with. Here is a scheme whereby the country can issue, without paying interest thereon, a sum of money all the way from $1 to $250,000,000; and as the money has not to be paid for in the ordinary way, that is to say, secured by obligations entailing the payment of interest, we shall have for it such goods and services as the country needs at the present time. Factories would start to work on orders for goods not yet manufactured, and it would mean that the whole of eastern Canada would start operating again to supply the demands of western agriculture. It would mean, I believe, according to reasonable estimates, that the money would be turned over ten or twelve times, and if we utilized $100,000,000 in this way we should be able to provide within Canada at the present time anywhere from $1,000,000,000 to $1,250,000,000 of new business.

I have put up this scheme this afternoon largely because the opportunity presented itself and not because I have been prepared in the way I ought to have been to submit this suggestion. I appeared before the royal commission on Banking and Currency and presented these ideas to them. I was told I was afraid to make these proposals to the House of Commons. I am not afraid to make them, and I make them in the humble hope that they may be of some assistance and that this house will perhaps recognize that there are ways whereby we can put this country to work

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at the present time. Let me add this additional feature. In handing these orders to the manufacturers we could say. "You are not going to have any overtime in your plant. If you are going to get these orders you will have to operate on a six or a seven-hour day and you will have to pay wages that are fair and reasonable, wages that will provide a reasonable standard of living." Perhaps this criticism will be advanced: Well, this is good only for a year or two, so long as the money lasts. I ask, however, what man can look forward more than one or two years in this present world with the forces of change and even of chaos operating in it? You can take this scheme of mine and if you save $133,000,000 of interest yearly you can put $100,000,000 into business in Canada annually, and you will not have the same interest obligations in twenty-five years that you have to-day.

The great burden we are facing at the present time is the burden of rigid interest rates, and it is closing around us like an anaconda; it is squeezing the life out of the country or, to change the metaphor, it is poisoning the whole process, economic and politic. It means that capital to-day has no confidence; it is so imbued with fear that it cannot go ahead. When the present leader of the Conservative party in the province of Manitoba says that this is the time for governments to get out of the way and give business a chance, I say that business is paralyzed with fear, and this is the time for the government to step in in a reasonable way to give a lead to business, to give the business man some confidence and to rebuild, on this system which is crumbling down, a new system that will be an improvement in which opportunities will be enlarged and Canadians may inherit the life for which they were intended.

I have given much thought to this proposition. I have laid it before influential men in this country and it has been received with a great deal of approbation. I hope that my contribution to the debate this afternoon will be taken in the spirit in which it is intended. In the year 1914 I offered my life for my country; that life was not taken. I offer now what ideas I have, prompted by no ulterior hope of profit to myself.

In closing I should like to commend the eloquent testimony which the hon. member for Labelle (Mr. Bourassa), in his speech on the address to His Excellency the other evening, paid to the Prime Minister (Mr. Bennett). That was a speech made by perhaps the most independent man in the house, a man who is now moved by the spiritual verities for in his speech he spoke about those

imponderables that moved the Prime Minister in his service to this country. He spoke about a possible basis of union when we could forget the party questions that divide us in the house at the present time. The citizens of Canada are not interested in the maledictions that are hurled at the little group in the corner and they despise the petty talk that goes across the floor of the house from party to party in a partisan warfare which really does not spell and will not work welfare in Canada. It may be stated that what I have suggested is only a dream, but it is something that I have worked out as a lawyer with what little knowledge I have of economics, with my experience as a member of this chamber and with what training I received in the Dominion Bureau of Statistics.

I remember one day when I was a soldier on the battlefields of Flanders, there was a huge gun that used to go off periodically; it exploded at a cost of $1,400 for each shot. As I listened to this gun, I used to wonder in my humble and perhaps dreamy way whether the time would ever come when I would have $1,400 to complete my education. That opportunity came and I am here this afternoon, humble as I may be, unlearned, unschooled and without the art of eloquence to move people who are not even listening to my voice. But if we had $2,000,000,000 to spend upon a war in Europe, if this country had thousands, nay millions, of dollars to send us over there in a blood-letting expedition, the horror of which can never be realized and never be painted by anyone who participated therein, surely the government of the day will not lose the opportunity; surely they will see that forces over which they have no control have placed in their lap, if they want to grasp it, the colossal sum of $250,000,000. Will it be used in a heroic and righteous way? Shall this country achieve prosperity or shall the nation perish?

Mr. HENRY E. SPENCER (Battle River): Mr. Speaker, I wish first of all to congratulate very heartily the hon. member for Selkirk (Mr. Stitt) on the able, earnest and valuable speech which he has just delivered. If hon. members would speak as directly as he has done on the subject before us, I feel sure many of our problems would be quickly solved. He has touched on certain important points, with some of which I shall deal; and I shall make some references to speeches made by other hon. members.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 8, 1934

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INACTIVE PENSION APPLICATIONS

Mr. GRAY:

1. Is it a fact that at the end of the fiscal year 1933, out of 14,853 pension applications outstanding, 10,000 were inactive?
2. If so, how many of the 10,000 outstanding applications mentioned therein were inactive: (a) due to the failure of the applicants to comply with statutory requirements; (b) due to the inability of the applicants to comply with the statutory requirements?
3. In the case of: (a) were any steps taken by the veterans' bureau to assist the applicants; (b) were the applicants definitely advised that their claims should be withdrawn?

Mr. MacLAREN:

1. Yes.

2. (a) and (b) All cases were inactive due to failure or inability of applicants to submit evidence in support of their claims. No definite information is available indicating the number inactive due to failure to obtain evidence and the number inactive due to inability to obtain evidence, but no case was classified as inactive where it appeared that additional relevant information might be obtained.

3. (a) and (b) In all cases steps were taken by the veterans' bureau to assist applicants. The veterans' bureau did not definitely advise withdrawal of these claims but did advise applicants that no useful purpose would be served by proceeding without additional evidence.

PENSIONS TRIBUNAL MEMBERS

Mr. REID:

1. What are the names of the former members of the pensions tribunal?
2. When was the said tribunal abolished?
3. How many of its members were reappointed to government positions?
4. What remuneration or gratuity, if any, has been offered to former members of the tribunal not reemployed?

Mr. MacLAREN:

1. Lt. Col. Thomas Morrison; Col. Lawrence Howard MacKenzie; Lt. Col. N. P. MacLeod; Col. J. T. E. Gagnon; Capt. John I. Grover; Capt. Leo Warde; Capt. E. C. MacKenzie; Col. C. W. Peck; Major J. F. McKay; Brig.-Gen. H. F. McDonald; Lt. Gen. Sir R. E. W. Turner; Major C. C. Thompson.

2. September 30, 1933.

3. One.

4. The matter has not yet been determined.

BRITISH COLUMBIA COAL IMPORTS

Mr. NEILL:

What was the tonnage of coal imported from the United States into British Columbia in the calendar years 1931 to 1933 inclusive, showing each year separately, both as to bituminous and lignite separately, and the duty collected each year on each grade?

Mr. MATTHEWS:

Imports of coal from the United States entered for consumption in the province of British Columbia with import duties collected in the calendar years 1931 to 1933:

Item	Calendar year	Tons	Import duty collected
Bituminous coal..	1931	2,298	$1,473 75
	1932	2,424	1,818 00
	1933	7,220	5,415 00
Lignite.	1931	6,387	93 60
	1932	2,831	....
	1933	2,098	....

Mr. NEILL:

What was the tonnage of coal imported into British Columbia from the United Kingdom during the calendar year 1933 showing each grade separately and the amount of duty: (a) regular duty and (b) dumping duty, collected on each grade?

Mr. MATTHEWS:

Imports of coal from the United Kingdom entered for consumption in the province of British Columbia with import duties collected during the calendar year 1933:

	Tons	Import duty collected
Anthracite..	3,647	....
Bituminous coal.	18,850	$6,749 50*

* Does not include special duty.

Special or dumping duty as applied to individual commodities is not compiled separately in the departmental records. At ports where importations of any particular commodity were few the private business of individuals or concerns would be disclosed if such information were given, and this would be contrary to established practice.

THE GLADES, N.B., POSTMASTER

Mr. MICHAUD:

1. Is William Simpson, postmaster at The Glades, New Brunswick?
2. If so, what salary did he receive from Post Office Department, during calendar year 1933?
3. Has said William Simpson, also a contract for carrying mails between The Glades post office and railway station at River Glade?
4. If so, how much does he receive per annum from department for this work?
5. When will present contract expire?

[Mr. MacLaren.]

Mr. DUPRE (for Mr. Sauvé):

1. Yes.
2. $734.26.
3. Yes.
4. $500.
5. December 31, 1935.

RESTIGOUCHE COUNTY, N.B., FISHERY INSPECTOR

Mr. MICHAUD:

1. Has Mr. John Jardine, of Campbellton, New Brunswick, been appointed fishery inspector for the county of Restigouche, New Brunswick?
2. If so, when and what is his salary?
3. Who recommended Mr. John Jardine for the position?
4. Were notices of the application for the position posted in the county of Restigouche, New Brunswick?
5. If so, where and when?
6. Did Mr. John Jardine pass an examination under the Civil Service Act to qualify for this position?
7. If so, where and when?
8. Who were the examiners and what were the marks obtained by Mr. Jardine in this examination?

Mr. DURANLEAU:

1. No. Mr. Jardine was employed as a temporary fishery guardian.

2-8. Answered by No. 1.

POSTAGE ON NEWSPAPERS

Mr. VENIOT:

1. What amount of postage was paid in cash on newspapers for the year ending March 1, 1932?
2. What amount of postage was paid in cash on newspapers for the nine months ending December 1, 1933, and what amount is estimated for the balance of the fiscal year ending March 31, 1934?

Mr. DUPRE (for Mr. Sauve):

1. $1,631,321.46.
2. (a) $1,047,804.02; (b) $476,559.66.

CANADIAN NATIONAL RAILWAYS—TIE CONTRACTS

Mr. MARCIL:

1. Have any contracts been awarded for railway ties in the county of Bonaventure during the years 1933 and 1934 by the Canadian National Railways?
2. If so, to whom, for what quantity and at what price?
3. Have any of these contracts been cancelled?
4. If so, with whom?

Mr. MANION:

The Department of Railways and Canals has no information with respect to tie purchases by Canadian National Railways, and the railway in the past has taken the stand that the bringing down of information of this nature is not in the public interest.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRINCE RUPERT, B.C., FEDERAL COLLECTIONS

Mr. HANSON (Skeena):

What were the gross federal collections at Prince Rupert, British Columbia, for the respective years 1928 to 1933, inclusive: (a) customs; (b) post office; (c) telegraphs; (d) fisheries; (e) income office?

MINISTERS' AUTOMOBILES

Mr. DUGUAY:

1. From 1922 to date, what was the annual expenditure for the automobiles of each of the ministers, including chauffeurs, gasoline, oil, and other expenses in connection with the upkeep of these automobiles?
2. From 1922 to date, what was the annual expenditure for the private railway cars of each of the ministers?

LAC SEUL, WATER STORAGE

Mr. HEENAN:

1. What is the estimated cost per acre for clearing land at Lac Seul, Ontario, for the purpose of raising the water storage capacity of Lac Seul?
2. What amount of money has been spent on the project up to December 31, 1933?
3. How many acres have been cleared up to December 31, 1933?
4. What are the salaries of the officers in charge of supervision and what are the wages paid to the labour employed on the work?
5. Are the men permitted to have a committee to make representations to the foreman with respect to conditions of employment?
6. Are all supplies purchased from the city of Winnipeg instead of from the surrounding district; if so, why?
7. What is the cost of potatoes laid down at Hudson?
8. What is the cost of oats laid down at Hudson?

WHEAT AGREEMENT

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the opposition): Mr. Speaker, I should like to ask the Minister of Trade and Commerce (Mr. Stevens) if his department is issuing any literature with respect to the wheat agreement, and if so if he would have copies of it laid on the table of the house?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, the only document I know about is the one the Prime Minister laid on the table, and it is not being issued by the department of which I am in charge. However, it is a document which, I believe, was prepared from the agreement and undoubtedly statistics contained in it were secured from the bureau of statistics.

STRIKE AT CHAPLEAU

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I wish to ask a question of the Minister of Labour (Mr. Gordon). I have in my hand communications from Chapleau, Ontario, to the effect that the strike is still going on, that the situation is becoming extremely critical and that last night 130 men were destitute and seeking relief. There is also information to the effect that strike breakers are being brought from the province of Quebec. I would ask the government to take measures to prevent bringing in strike breakers from the neighbouring province and to help in the solution of this strike.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, the matter to which the hon. member has drawn the attention of the house is one purely within provincial jurisdiction. So far as I am aware the federal Department of Labour has not had its attention drawn to the situation to which reference has been made. Of course, we have conciliation officers, but we have found that in certain instances arising out of labour difficulties of the past few months the federal conciliation officer, upon reaching the scene of the disturbance was defeated in his conciliatory efforts by those whose design it was to keep the employers and employees from getting into contact, with a view to prolonging the strike. At any rate, I shall look into the matter and learn what the situation is.

AIR MAIL SERVICES

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, I should like to ask a question of the Acting Postmaster General (Mr. Dupré) as to whether or not as yet the government has been able to define its policy with reference to transcontinental transportation of mail by air and, if not, I should like to know if he could at this time give to the house any definite date when he will be able to do so.

Hon. MAURICE DUPRE (Acting Postmaster General): In reply to the hon. gentleman, I cannot make any announcement today, but I will look into the matter.

WHEAT SHIPMENTS

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question for the Min-

ister of Trade and Commerce (Mr. Stevens). With regard to the free shipment of 8,000 bushels of wheat from Fort William to the port of London, England, via Buffalo and New York, on December 7, 1933, a shipment which was apparently in conflict with the intent of the Anglo-Canadian trade treaty, 1932, under which a preference of six cents a bushel was to be allowed Canadian wheat shipped through British ports, may I ask the minister what action, if any, his government intends to take with regard to the breach which the British customs authorities have made in the government's policy of political and economic imperialism as applied to wheat?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker in the first place the question of the hon. gentleman involved a great deal of assumption on his part and an ex parte judgment upon the British government for some action which it has not been demonstrated has taken place. Eliminating all the useless matter that was involved, may I say that the regulations governing the movement of Canadian wheat to the British market via a foreign country are British regulations which are set forth clearly in connection with their customs law. I have forgotten for the moment the name of the act, perhaps the British Duties Act, but it is well known and has been referred to frequently here. Those regulations are entirely under the control of the British government, and any movement of grain which complies with those regulations will undoubtedly be admitted by the British government in accordance with their own laws and regulations. I am not aware of any evidence that there has been a violation by the British government of the trade agreement between this country and Great Britain.

Mr. McINTOSH: With regard to the minister's statement, may I say, western Canada would like to see more shipments through Canadian and United States ports as well for the benefit of western producers.

SMELT FISHING SEASON

On the orders of the day:

Mr. J. E. MICHAUD (Restigouche-Madawaska): May I ask the Minister of Marine (Mr. Duranleau) if it is the intention of the government to extend the smelt fishing season in the Baie des Chaleurs in order to relieve the distress of the people of that district?

Hon. ALFRED DURANLEAU (Minister of Marine): Some requests have been made to the department to that effect, and the matter is under consideration.

Hon. P. J. VENIOT (Gloucester): You had better hurry up in reaching a decision as the season will soon be over.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 6, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Mr. L. E. PARENT (Terrebonne) (Translation): Mr. Speaker, when the house adjourned on Tuesday evening last, I was discussing the address in reply to the speech from the throne. I was referring to agriculture and pointing out the recommendations made in the speech from the throne in connection with farm products; I was establishing the ratio between the prices of farm products and those of manufactured goods. I now wish to point out to the house the sad conditions under which our farmers actually labour, owing to the government's policy.

One must bear in mind that the Minister of Trade and Commerce is well acquainted with the present situation. Members of this house have, perhaps, not all read the publication "Canada 1934." At page 12 this is what we find:

> Such an uneven recession in prices—
>
> The prices refer to farm products.
>
> —worked extreme hardships because it seriously disturbed the relative purchasing power of different economic groups in the country.

Groups refer to farmers. This deplorable state affecting the Canadian farmer is due to the famous protection promised in 1930, which, however, only favoured manufactured products as it was so often proved in this house.

Let us briefly examine how the farmers suffer from such a state. Purchasing power is equivalent to product exchange or labour exchange or again service exchange. Through the medium of a national currency, namely, the dollar, in Canada. The farmer is forced to pay a tribute to the manufacturer, varying between 25 and 30 per cent, when he purchases the products of the latter. In other words the dollar earned by the farmer only represents 75 or 80 cents of the value in manufactured goods. The manufacturer, on the other hand, can, with a dollar's worth of his goods, purchase $1.25 worth of farm prod-

ucts. I shall quote some official figures in this connection. On mowing and binding machines, which are two indispensable farm implements, he paid under the Borden regime, a customs duty of 12·50 per cent; under the Meighen regime, the same percentage; under the Liberal administration, half, namely 6 per cent; since this government has assumed power, 25 per cent; and under the preference schedule 28·75 per cent. The outcome, sir, is that when the farmer requires a mowing or binding machine, he must pay 28·75 per cent of customs duty, when purchased outside of the British Empire. I intend, now, to show that farm implements are not purchased in England but mostly from foreign countries; therefore, all Canadian purchasers must pay the duty, according to the tariff in force.

According to the Bulletin 423 of the Dominion Bureau of Statistics, published in August, 1933, $203,089 of farm implements were purchased in June, 1933, of which $167,000 came from the United States subject to a duty of 25 per cent, while previously, under the Liberal regime, it was but 6 per cent, and there was only $14,791 worth imported from the United Kingdom. Under the Conservative tariff regime, the farmer therefore pays on almost 80 per cent of his purchases of farm implements, a customs duty of 25 per cent.

Let us examine what happens in the dairy industry, a greatly developed industry in Canada. No farmer can compete in this field of activity unless he has one, two and even three cream separators. According to Bulletin 423, August, 1933, statistics show that Canada imported, in June, 1933, 1,130 cream separators, of which 724 came from Sweden, subject to a duty of 25 per cent; 138 came from the United States, subject to a similar duty, and 72 came from Germany, also subject to the same duty, a total of 934 out of 1,130. There were, therefore, only 196 imported from the United Kingdom and entering the country free of duty.

Furthermore, according to Bulletin 576, February 1, 1934, one notes that almost half of our imports of farm implements in December, consisted of cream separators. Figures speak for themselves. Half of the imports of farm implements in December consisted of cream separators destined to the dairy industry. These imports were valued at $41,039. We imported 567 from the United States which paid a duty of 25 per cent, 166 from Sweden and 70 from Germany. This means that not one cream separator from the British Empire during that period entered Canada. Owing to the Imperial Economic agreements at Ottawa, the duty on all imports of farm implements coming from outside the empire, was raised. And according to the evidence furnished by the Dominion Bureau of Statistics, the farmer is obliged to-day to pay a high duty in order to purchase what is indispensable to the farm, while he receives greatly reduced prices for his own products.

It is not astonishing, sir, that His Excellency the Governor General could well afford making special recommendations to this government in order to fill the deficiencies existing. For the last three years, since this government has assumed power, nothing was provided for and in 1933 we note no change which might improve the lot of such an important class as the Canadian farmers.

Let us now discuss the Imperial Economic agreements. Our friends opposite make much capital over the slight improvement of the world or international trade and they appropriate to themselves the whole credit for this; they contend that this improvement in trade is due to these agreements. The Imperial Economic agreements at Ottawa, sir, in my opinion, have not facilitated trade relations. The preference granted to the countries in the British Empire has not increased the sale of our products because our trade abroad has decreased since these Imperial agreements took place. Canada took advantage of the stabilization of currency existing between the pound sterling and our dollar. That is the greatest factor in the improvement which has taken place during the last months of 1933. If the government had not raised the tariff and closed foreign markets, our trade would have similarly benefited and this I contend would have been due to the stabilization of currency and not to the Ottawa agreements.

It must be pointed out, sir, that the supply and demand between two countries is automatically controlled rather than being the result of agreements, and that the stabilization of currency is the most powerful factor in establishing the possibility of exchange between two countries. I shall quote in support of this the views of an authority on the subject, those of the president of the Dominion Bank, one of the most important Canadian banks.

In the course of the speech the president delivered before the general meeting of the shareholders in the Dominion Bank, a speech published in the Ottawa Citizen, the following is how he expressed himself, speaking of our basic industries:

Lumbering is conspicuously better partly because of the rise in sterling exchange—

This corresponds to what I was stating just now.

—which has reopened the export markets, especially, the the far east and Great Britain although the situation with reference to Canada's participation in the British market needs to be cleared up, notwithstanding the conference agreements at Ottawa.

Those are the views of the president of one of our principal banks. They are of great import and confirm my assertion that the agreements at Ottawa were not the greatest factor in our trade improvement; it was the stabilization of currency between two countries.

I also believe, sir, that had our tariff not been so prohibitive to the countries outside of the British Empire, Canada would have exported more on the other markets where we would have had an easy access because in buying from other countries we necessarily forced the latter to barter and purchase from us. Exceedingly high tariff rates have paralyzed and partly closed our factories, reduced the people's purchasing power, plunged the country into the serious crisis we are at present experiencing, brought on unemployment and all the hardships which we had to suffer within the last two years.

Moreover, high tariff barriers were responsible for a decrease in customs returns, a decrease which will have to be compensated by various imposts and taxes, such as the sales tax of 6 per cent on all purchases made by the people; also other excise taxes.

Now, sir, taking the argument itself of the government in favour of its tariff or protection policy, may I state why the principles advocated daily in the house—that the Imperial agreements were responsible for the trade increase with the British Empire, because a preference was granted—are false. No consideration is taken of the fact that, if this same preference or if the tariff had not been increased against other countries, the same principle could be applied. Were not the measures which proved advantageous to the countries of the British Empire, advantageous as well to the other countries?

In order to prove my contention, sir, may I quote the Dominion Bureau's statistics so as to show that, under the low tariff regime, we traded more abroad, while under that of high tariff, protection and Imperial agreements, our foreign trade decreased considerably. I shall first quote the figures in connection with the countries of the British Empire, I shall only mention those reaching in the millions. In 1922, going back slightly more than 10 years, at the end of the Conservative administration, we exported for $345,000,000 worth to countries of the British Empire; in 1929, after seven years of Liberal administration, we were exporting $535,000,000 worth, this, under a moderate tariff regime. In 1932, after one year only of Conservative administration, our exports had dropped to $218,000,000, and in 1933, following the Imperial Economic agreements, at Ottawa, they had not increased but had remained about stationary, at $222,000,000. Let us examine our imports: In 1922, $149,000,000; in 1929, $257,000,000; in 1932, $147,000,000, and, finally, in 1933, they had reached the lowest level and only amounted to $120,000,000. Is that such a laudable result of which one can boast and thank this government? I doubt it.

But that is not all: At page 132 of the publication known as "Canada 1934" one finds that in 1922, at the end of the Conservative regime, our total exports amounted to $740,000,000; in 1929, $1,363,000,000, and, in 1933, under the high protection policy of our friends opposite, $473,000,000. The same ratio applies to our imports.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, in taking part in this debate I do not think it is necessary to add anything to what has been said already, particularly by hon. members on this side. I refer especially to the able speeches delivered by the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address and to the splendid effort of the Prime Minister (Mr. Bennett) who reviewed the whole political situation for the last three years and outlined what the government propose to do in the way of bringing down legislation at this session. However, I feel I should take part in this debate in order to express my confidence in the government. I believe the people of the west, particularly the people in the eastern part of the province of Saskatchewan which I have the honour to serve, share with me in that feeling of confidence. I think the people realize what it has meant to the government to carry on the affairs of this country under present conditions and those which have existed for the past three years. Hon. members on this side, and I believe the people generally throughout the country, expect reasonable and constructive criticism from the opposition. In times such as these we should have at least reasonable cooperation and moral support. I suggest to the opposition the cooperation referred to the other evening by the hon. member for Labelle (Mr. Bourassa).

Throughout this discussion the opposition has been prone to charge at least some responsibility for the present condition of the country to the government. I do not think

any one party or any one government can be charged with full responsibility. However, I believe that there is certain evidence which can be produced to show that a large part of this responsibility lies at the door of the opposition. When this government took office in August, 1930, they found many problems facing them which had been in the making for two, three and even more years previously. There was the question of lost markets; there were no markets for the products of our forests, our soil and our mines. Does anyone believe that this government is responsible for that or for the transportation problem? Is this government responsible for the deficits in connection with the operation of our great transcontinental system? Are they responsible for the lack of economy, the gross extravagance of the late government and for the commitments, running into several millions of dollars, yes, into hundreds of millions of dollars, which were left on their door-step by the previous administration? I say that they are not.

I think the opposition will agree that the trade of the country is a barometer which indicates the trend of affairs. A comparison of the gross trade of this dominion in 1920 with that in 1929 will not prove very favourable to the administration of the late government. I have in my hand the Commercial Intelligence Journal of January 20, a publication which is available to all hon. members. At page 92 there is a table of exports from Canada to the United States of principal commodities such as are produced on Canadian farms. We find that in the last six months of 1920 the export trade amounted to $119,000,000 and in the last six months of 1929 it had declined to $33,000,000—a difference of $85,000,000 odd as between those two periods.

Turn to another column and you will find that the trade for the last six months of 1932 was $1,763,000, and it had increased during the corresponding period in 1933 to $6,103,000, in other words, an increase of almost 400 per cent. The interesting part of the chart as given on this page is to be found in the items that were entering free into the United States from Canada in 1920, and I would invite the house to compare those figures with the tariff which was in force in 1929. There is a very material increase in respect of many of the articles that appear in the free list of 1920; compared with that year we find a substantial increase in 1929.

Let us now take the exports of wheat. During the period in which the opposition held office there was an abnormal increase in production, and exports did not keep pace with that increase. We find that in 1922 our exports of wheat from Canada amounted to 185,000,000 bushels and in 1930 the total was 186,000,000 bushels. There was a gradual increase however in the carryover, for we find that in 1923 there was a carryover of approximately 40,000,000 bushels, whereas in 1927 it had reached the figure of 58,000,000 bushels. In 1930 it had reached 140,000,000 bushels and last year the carryover was 219,000,000. A similar story can be found in connection with bacon exports. In 1920 our bacon exports amounted to 200,000,000 pounds and in 1921 they had decreased to 98,000,000 pounds. In 1930 they had gone down to 26,000,000, pounds and in 1931 we ended the fiscal year with 12,000,000 pounds. We find however that under the trade agreements carried out by this government with the United Kingdom our bacon exports have increased until last year they totalled 43,000,000 pounds, a very substantial increase.

It is interesting to review the imports of bacon during the same period. In 1920 we imported into this dominion 4,900,000 pounds of bacon and hams; in 1929, 3,000,000 pounds; in 1930, 7,720,000 pounds; and in 1931, 6,330,000. In 1933 the figure had been reduced to 15,000 pounds. That is the result of the agreement with the United Kingdom.

We find a similar story in connection with cattle. In 1921 we exported approximately 300,000 head of cattle, and there was a gradual decrease until in 1931 the figure was 38,000. We know that when this government took office our cattle export trade had practically dwindled to nothing and there were no facilities for shipping cattle overseas; there was not a single vessel equipped for the purpose. I am pleased to say however that under this agreement our cattle exports last year increased very materially until we had reached the figure of 53,000 for the year.

The figures I have quoted with respect to trade indicate the record which the hon. member for Melville (Mr. Motherwell) established for himself when he was Minister of Agriculture. It is not a very good record, and it is no wonder that he himself, speaking in the city of Regina on October 19, 1931, made the following remarks with reference to agriculture. I quote what appeared in the Regina Leader of that date:

> The Hon. Mr. Motherwell, speaking in Regina, made this statement, that a fresh foundation had to be laid for agriculture in Canada, both east and west, if the country and towns are to be saved.

In no better words could the failure of the Liberal government adequately to care for agriculture be described than in those words of the hon. gentleman.

There has been some talk of tariffs restricting trade. I am getting tired of hearing that statement, and I believe the people of Canada are becoming tired of it too, for there is no evidence of it; in fact, under this government we have now increased our trade. To my mind, such talk is only an evidence of Liberal inconsistency and hypocrisy. It is the Liberal party running true to form, for ever since confederation there has always been the cry about lowering tariffs. In this regard I can do no better than refer to the speech of the hon. member for Vegreville (Mr. Luchkovich) the other evening, and also the speech of the hon. member for Souris (Mr. Willis); I think they dealt very fully with the argument about tariffs restricting trade and I will not discuss the question further.

What do we find to-day under this Conservative government, in relation to the tariffs which we have put into force Let us consider the gross imports into Canada free of duty. I have here a table prepared by the bureau of statistics giving the figures for the gross trade into Canada from the years 1926 to 1933 from all countries, from empire countries, from foreign countries and from the United Kingdom and the United States. In 1926, from all countries, the gross imports into Canada free of duty amounted to 37·1 per cent; in 1927 the figure was 36 per cent; in 1928, 36 per cent; in 1929, 35 per cent; and in 1930, at the end of the fiscal year, 34 per cent. There was a decrease in the percentage of goods entering free under the late government. In 1931 we find that the percentage was 36·7; in 1932, it was 32·8 per cent; and in 1933, 36·9, back to almost the highest percentage in the last four years of Liberal rule. The figures are similar with respect to foreign countries. I shall give the percentage of the gross imports from the United Kingdom entering free of duty:

Year—	Per cent
1926	18.7
1927	17.7
1928	19
1929	20.4
1930	21.4
1931	27.4
1932	25.1
1933	35.6

It will be seen that there is, as regards the United Kingdom, a gradual increase under our present tariff of goods entering free of duty until the amount is now almost double what it was in 1926. The same story may be told with respect to imports from the United States. The policy of the Liberal party of a gradual reduction in the tariff was carried out in such a way that by the time they left office the tariff was slightly higher than when they came into power.

The other night the hon. member for Lanark (Mr. Thompson) in his speech described what tariffs were doing for his constituency; he informed us that many industries had been re-established there, some of them working full time and others on two shifts. This is an evidence of what tariff is doing for industry. I believe the farmers of the west are agreed that the tariff has protected the primary producers and has assured for them the domestic market, that market which absorbs from 90 to 95 per cent of the total goods produced in Canada. There is no market as good as the domestic one.

This government has been carrying on under the most trying and difficult circumstances and I think it is agreed by all that since the very first day they took office they have been addressing themselves to problems which were not of their making. The government has endeavoured to maintain a sound, safe and solvent position and, in doing so, to stabilize markets and also to make markets certain. The Prime Minister (Mr. Bennett) in his address the other day gave conclusive evidence that recovery is taking place in Canada, and in support of his statement I am going to give one or two instances. The fact that consumers are buying more extensively according to reports of the retail trade throughout the country, even in western Canada, is an evidence of this recovery. There is an increase in capital expenditure. The statistics show that 200,000 more of our unemployed have been absorbed in our industrial life in the last eight months. Another excellent sign is that there is a steady increase in our favourable trade balance. When the present government took office there was an adverse trade balance of about $120,000,000, and this year it looks as though we might have a favourable trade balance of $150,000,000. There is an increase in our trade with the United Kingdom and also with the United States and there is a very substantial increase in our trade with other foreign countries. As the figures in this connection were given the other day by the Prime Minister, I shall not enter into details. We have now become the fifth exporting nation of the world; we have a sound financial position and we have the confidence and goodwill of other nations with which we are trading, and that is the greatest asset we can have.

We are now on the road to recovery and when within a very few years we reach a normal state, I believe Canada will then enjoy more material development than she has ever done before. All these instances of recovery

can, I think, be credited to the United Kingdom agreements made in 1932 and our producers are now, after a year's trial, beginning to realize what those agreements really mean to Canada; they propose to take advantage of such opportunities. In the constituency which I have the honour to represent, I know the people mean to give the United Kingdom agreements a fair trial and to do their part in endeavouring to develop the trade that is necessary. My constituency is favourably situated in this respect. The people of my constituency have from the very first adopted a system of diversified farming; they have developed splendid herds, stock of all kinds, and are in a position to go ahead and take advantage of those agreements. For instance, the town of Wapella, with some 900 of a population and surrounded by a diversified farming district, shipped this year two carloads of dressed poultry, the greater part of which went to the United Kingdom. That is a splendid record and it shows how the farmers there feel with respect to the agreements.

There are many important questions into which time will not permit me to go. For example, there is the monetary problem, the establishment of a central bank and the revision of the Bank Act. Among vital questions which affect western Canada materially are those of debt adjustment and interest and taxes, but I do not propose to take the time now to go into them. On a future occasion we shall have an opportunity to do so. I wish, however, to commend the government on the fact that before they made provision for the establishment of a central bank, they set up a commission before which the people of Canada could go and submit evidence. That was the proper way in which to deal with the matter. As regards debt adjustment, it may be necessary for the provinces to take the question up first but whatever adjustment is made it will have to be with the support and cooperation of the federal government.

The question of the wheat agreement is vital to western Canada at the present time and I feel that this matter should be thoroughly discussed. The other day the Prime Minister outlined the whole situation with respect to the circumstances leading up to the wheat agreement, and it would be presumption on my part to go into it in fuller detail than he did. I am, however, concerned with the carrying out of this agreement. The first thing we must consider is the confidence and good-will that must be maintained with respect to the agreement. When we have become a party to it with some twenty other importing and exporting countries, it is up to the Canadian people to see that we carry it out and that good-will is maintained. From the statistics prepared and presented before the conference there was one of two alternatives to accept or pursue: first, they could continue the cut-throat system of marketing where supply and demand regulated and prices might go to a level which would be chaotic and cause disaster.

Then there was the other plan, as outlined by the hon. member for Peace River (Mr. Kennedy) the other evening, that the importing and exporting countries get together and make an agreement. This they did. The exporting countries undertook that there should be a 15 per cent reduction in acreage or production. Our country was allotted a quota, and I think all agree that Canada, thanks to the efforts of the Prime Minister and the representative from western Canada at that conference, shared very favourably in receiving an allotment of 200,000,000 bushels, one per cent more than had been Canada's contribution to the total exports for the years between 1920 and 1930. I want to inform this house that the pool in western Canada is 100 per cent behind this agreement. I have heard their directors speak from time to time, I have made it my business to attend their meetings and see what their reaction was to this agreement, and I say they are 100 per cent behind it. I think it is safe to say that 90 per cent of the farmers in western Canada are behind it, with all due respect to what we have heard from the hon. members for Melville (Mr. Motherwell) and Weyburn (Mr. Young) and other opposition members. They do not voice the sentiments of the people of the west, for I know that the farmers are prepared to cooperate in this agreement, to give it a chance to function, knowing as they do what the overproduction of wheat means and the effect of the surplus on prices. As the hon. member for Peace River said the other night, this is the only desirable alternative, as by any other system we might find ourselves in a position where we have no quota at all.

But the farmers are very much concerned as to how they are to proceed to bring about the 15 per cent reduction. I am farming on a considerable scale myself and I am concerned about it. There are three or four ways in which we might go about it. We might have compulsory reduction by legislation. We might have voluntary reduction, by educating the farmers on the subject. We might have

a bonus system, bonusing the farmer who summer fallows 15 per cent more than normal. A fourth plan would be an individual quota system under permit. That is the plan I wish to put forward and speak of more particularly this afternoon. But before dealing with it in detail, let me say that there are certain conditions that lead us to believe that there may be in western Canada this year a very material reduction of seeded acreage. Among these conditions are the abandonment of farms in areas where production has not been good the last few years. There is insufficient seed in many quarters; there is also a tendency to replace tractors by horses, and still more there is the menace this year of the grasshopper infestation causing a very material reduction, which I do not think we can avoid. Now, Mr. Speaker, I am not going into details about the first three methods, but I do want to go at some length into the quota plan. Of course we agree that any plan adopted will have to have the cooperation and support of the provincial governments. Possibly they will have to inaugurate it, but they should have the support of this house. So I want to get the concrete proposition before this house. I am sorry that in this discussion there seems to be more adverse criticisms than concrete suggestions from the opposition as to how we might with goodwill develop some plan to carry out this scheme.

Speaking of the quota plan in more detail, I wish, Mr. Speaker, you would permit me to read more or less, as I want to be very careful to make it plain. The plan is:

(a) To determine the requirements by adding to the quota of 200,000,000 bushels the domestic requirements;

(b) To determine the acreage seed to produce wheat in 1934;

(c) Dividing (a) by (b) to arrive at the average number of bushels per acre to produce (a). This will be the basis of computation for

(d) Issuing of individual negotiable permits to market wheat to each farmer who produces a sworn statement of his acreage seeded to wheat for the number of bushels arrived at by multiplying (c) by the verified acreage.

Circumstances over which the farmers of very large sections of the west, particularly in the southern area, have had little or no control, will make it a very difficult matter to persuade them to take a sane view of any proposal to reduce the acreage to be seeded to wheat in the season 1934. Naturally the most strenuous objections are from those in the drought area. In fact I think there is no district in western Canada where a compulsory proposition would be well received. In submitting the plan I offer I would like to call attention to the fact that it is exactly the reverse of the bonus per acre or per bushel plan of two years ago, which gave to those who were fortunate enough to have a crop but gave nothing to those having none. Another feature is that no grain board will be necessary to handle this plan, it will work through the natural trade channels. The farmer fixes his own allotment by giving a sworn statement of acreage, no manipulation would be possible except by perjury. An allotment on a land basis, so much a quarter section, would not be satisfactory.

Taking into consideration the probable reduction from natural causes this year it may be that there will not be more than 21,000,000 acres seeded to wheat in the three prairie provinces; so that, taking the quota and the domestic requirements, permits might be issued to the farmers to market, say, 15 bushels per acre. I want to make it plain that the permit to market should be negotiable. Then in case a farmer's total crop were more than his allotment, he could purchase a permit to market the surplus from a man in a district where there was a partial or total crop failure. That would be a strong feature of this plan. These permits being negotiable, a farmer who was fortunate enough to have a good crop and had a few thousand bushels more to sell than he had a permit for could purchase a permit from a farmer in an area where they had no crop at all. That would bring him in many cases more than the farmers are receiving under the relief plan at the present time. A board or facilities could be set up to regulate the price, and a minimum price might be fixed for the permits so that there would be no speculation or undue trafficking in them.

This is only a suggested plan. I wished to bring something concrete before the house, and I think it is important that we should give suggestions to the government. I believe this plan will be favourably received in western Canada. I have talked with many farmers who are likely to have a much larger crop or yield than perhaps they would be permitted to sell. However, when anyone who is so fortunate as to be in that position I think he will be very pleased to have the privilege of purchasing a permit to sell the surplus wheat. I claim that at least we should have the assistance and cooperation of every hon. member in the House of Commons, and that we should not have to listen to criticism such

as has been made of this agreement. This is an important matter, one which is vital to the people of Canada and more particularly to western Canada.

We have heard criticism by the hon. member for Melville. Only a few days ago he stood in this House of Commons and criticized the government with respect to its operations concerning the stabilization of wheat. More particularly his remarks were directed against Mr. McFarland. Having had experience as a cabinet minister in a former government he must have known that he was asking for information which this government could not give. I believe that on many occasions he has been to the pools endeavouring to get information. In some cases when he has got it he has used it in a political way. That is not the manner in which we believe hon. members should work. The government took its action in connection with wheat stabilization only after they had obtained the best possible advice from every interest in western Canada, including boards of trade, municipal organizations, the wheat pool and the grain exchange. I have talked with many members of the grain exchange and with the business men of western Canada, I know they are one hundred per cent behind the operations of Mr. McFarland and that they are one hundred per cent behind the government's action with respect to wheat, because they know that what was done was the only possible procedure.

In attempting to arrive at an agreement there has been an effort on the part of the twenty-one exporting and importing nations to reach a solution which might result in removing the menace of the world's surplus. Further, this agreement, if it succeeds, would help to increase prices, and we know that if the price of wheat is increased, the prices of other commodities will increase also. If there is success the prices of all commodities will be improved. But if there is failure, what then? Well, we will be in no worse position than we were before the agreement was made. That is certain. I say it is up to all hon. members to get behind this agreement and give it proper support. I claim that the present government has done more for agriculture than has any other government since confederation. Had I time I could outline what has been done. What has the Liberal party offered? There is nothing at all constructive in their policy. In the last three sessions of this parliament they have not offered one practical suggestion for the recovery of agriculture. All their speeches in western Canada have been of a breaking-down and destructive nature.

May I for a moment or two compare the policy, with respect to agriculture, this government is pursuing with that followed by the Americans to the south of us. Since March last under the N.R.A. they have destroyed 6,000,000 hogs, and they are bonusing sows for market. In Canada, under the guidance and initiative of our Minister of Agriculture (Mr. Weir) who has devoted himself to the advancement of agriculture, great efforts have been made to induce our farmers to produce the right class of hogs, cattle and all other agricultural products. That is the difference between the two policies. Yesterday the price of live pork in Toronto was ten cents, while the price in Chicago was only three cents. For these reasons I claim that the government is doing everything within its power to help the farmer.

What is the function of a government? I believe I am stating it correctly when I say that it is the duty of the government to guide and encourage the industrial progress and social advancement of our people. It has to preserve industry and agriculture and to direct and control trade and commerce and finance. It has to preserve our national credit. These are the functions of government. In doing these things it has to maintain law, peace and order and has to preserve individual rights and opportunities in the development of our natural resources and our industries, so that there may be a fair and reasonable price to the producer and a fair and reasonable price to the consumer. That is the function of government, and I believe this government is doing that to the letter of the law.

In conclusion I wish again to state that my plan is but a suggestion. I know it will be criticized from many quarters. Certainly, I expect criticism from the opposition, because they criticize every constructive proposition coming from this side of the house. May I again express my confidence in the government, realizing that they are doing everything possible to bring Canada back to a normal state of prosperity and believing that they will be successful.

Mr. T. A. FONTAINE (St. Hyacinthe-Rouville): Mr. Speaker, I should like to make a few observations concerning the speech from the throne, but before doing so may I join hon. members who have preceded me in congratulating the mover and seconder of the address in reply. Listening to those speeches I was impressed by the diversity of problems which we in Canada have to face. In order to make better and greater the country in which we live I believe we must cultivate and maintain the spirit of cooperation so neces-

sary to every section of our country. I do not intend to cover in detail all that has been said, because the situation has been well dealt with by my right hon. leader. However there are some phases to which I should like to direct a few remarks.

Now, Mr. Speaker, with your permission, as I am more familiar with the French language I shall continue my remarks in my mother tongue.

Mr. Speaker, according to parliamentary practice, the address which thanks His Excellency the Governor General, on the occasion of his speech disclosing the sessional program, to which the right hon. Prime Minister (Mr. Bennett) is no stranger, is generally moved and seconded by newly elected members supporting the government. We note, however, that this year this practice has not been followed because such a task was fulfilled by members who have been sitting in the house for a number of years, they have, however, well acquitted themselves of their task and certainly deserve our sincere congratulations. There are, however, newly elected members in this house, because during the intersession three by-elections were held. Unfortunately for the government they sit on the opposite benches.

These three by-elections held in the course of last year, in three provinces, representing three different sections of the country, have afforded to all impartial and unbiased observers an opportunity of judging of the unpopularity of this government. Notwithstanding all the efforts and appeals of the government, notwithstanding all the means and resources at its disposal, its three candidates were defeated, two of them losing their deposit, three Liberals being elected. Such was the outcome of the people's wishes, in the three provinces, just on the eve of a Dominion election. One fully realizes that under these circumstances, it is with fear and apprehension that the government sees the approaching expiration of its mandate. That is why it seeks every possible means to delay the day of atonement.

Faced with such a result one easily realizes that the contentions of the right hon. Prime Minister fall flat, when he tells us of the supposed confidence still reposed in his government. However, we are aware that he is the first to realize this fact, since, in his speech the other day, this confession slipped from his lips:

> Even if the people are not contented, the government will have had the consolation of knowing that it has performed its duty.

And even if there exists, in fact, a serious improvement in business, and if things are progressing as well as we are assured, notwithstanding the blunders of this government, why do we hear in certain quarters of inflation measures? If the government thinks or finds itself obliged to have recourse to such measures, it is simply because they are aware that the country's affairs are actually in a sadder state than they were. As it was stated, it is the beginning of the end. All realize that the wind is shifting in every province, to the sorrow of our hon. friends opposite and that at the next Dominion election we shall witness the same result as we obtained in the last three by-elections.

All realize that no improvement is taking place, take, for instance, the very important problem of the sale and shipping of our wheat. The monthly bulletin of the "Banque Canadienne Nationale" for January last, points out that, notwithstanding certain hopes, the state of the world wheat market gives rise to much anxiety. Our wheat exports, since the outset of the present season, namely from August 1, to December 15, have only amounted to 73,000,000 bushels, compared with $112,000,000 bushels in 1932. I have before me this bulletin. It reads as follows:

> Since the wheat congress, which defined the export quota of this commodity, estimated at 560,000,00 bushels this being the world's requirements for 1933-34, the production in exporting countries, such as the Danubian states and Argentina and occasionally in importing countries such, as France and Italy, was found greater than what was first anticipated. Under such circumstances, the possibility of increasing our wheat exports are very uncertain.

Sometimes, one hears of business improving. What, however, are the signs which can lead us to conclude with certainty that this so-called improvement is not factitious or momentary. The real proofs are entirely lacking. Let us take, for instance, the building trade. The old saying is: "When building is brisk, all is well". The Bureau of Statistics informs us that at the end of 1933, in large cities, like Montreal, construction has never been so dull and stagnant, for the last 15 years. The monthly reports of 1933, for the city of Montreal, compiled up to December 19, last, indicate that the value of building and repair permits amount to only $5,180,591, while they amounted to $10,428,613 the previous year, for the same period, that is for the year just ended the decrease amounts to more than half. We must not, however, imagine that this recurrence of normal conditions is this year proclaimed by the government for the first time. The year 1934 may perhaps witness the end of the crisis in the same way that each of the years 1930, 1931, 1932, 1933 have witnessed it, and even as the year 1935, perhaps, is bound to see it.

It is interesting to glance back and compare these hopeful forecasts, reassuring prophecies, made this year with those made to us these last years. The hon. Minister of Labour already foresaw the return to normal state, in the autumn of 1932. On the occasion of the anniversary of Labour day, in 1932, he addressed a message to the workers in Canada, of which the following is one of the striking excerpts as reported in the Labour Gazette—an elaborate review published by the Department of Labour, at Ottawa, Sept., 1932 edition, vol. 32, No. 9, page 946, French version:

It is hoped that we have reached the depth of this depression. There are many indications we are beginning to emerge from it. Not the least among these indications is the spirit of optimism which the recent Imperial conference has stimulated in our country.

Further on the hon. minister refers again to an "early recurrence of prosperity." And he ends his message thus:

I express the hope that long before another Labour Day rolls around, a period of prosperity greater than Canada has ever yet known may have been ushered in.

Mr. CASGRAIN (Translation): Another broken pledge!

Mr. FONTAINE (Translation): The hon. minister must have noted with regret that he had not been very fortunate in his prophecies.

The speech from the throne delivered on February 4, 1932, also made similar optimistic forecasts, when, in the course of events, the general situation was to become worse and worse. It was stated:

Conditions are gradually improving. The Canadian people have united in the fight against adversity. Prosperity is their just reward.

A few months later, on June 20, 1932, during the Maisonneuve by-election, a great hullaballoo was raised with reference to a supposed message attributed to the right hon. Prime Minister and which read as follows:

I forecast with much confidence an early return to normal conditions.

The people placed no faith in this prophecy and they were right, because conditions grew worse and worse. Similar forecasts are again made to us to-day.

In short, such has always been the case ever since this government assumed power. They have always endeavoured to persuade the people that prosperity was around the corner, and would appear at any moment. Meanwhile, distress increased, unemployment spread, the national debt never ceased to grow and is still growing larger, to such an extent that, since 1930, our national debt has increased by more than $400,000,000. And a few days ago, the hon. Minister of Finance (Mr. Rhodes), in reply to a question I had put, stated that on March 31, last our debt amounted to $2,596,480,826.16 and that on December 31, last, it amounted to $2,687,122,482.26 or an increase of $90,641,656.10, in 9 months.

As the right hon. leader of the opposition (Mr. Mackenzie King), stated the other day, the people have lost faith in the present government and public opinion disapproves of the policy followed by the government ever since it assumed power, in 1930. Again, this year, a return to prosperity is mentioned, however, it is no news, because, since 1930, all the speeches from the throne have alluded to it.

I do not know what views will be taken by this hon. house with reference to the amendment moved by the Liberal opposition, stating that this government has lost the confidence both of this house and the country, however, I am firmly convinced that this amendment is quite in keeping with public opinion throughout the country and I trust that it will be adopted.

The longest paragraph in the speech from the throne is the one which refers to that famous World Economic Conference held in London, in June last. It is admitted that the conference adjourned without broaching numerous important subjects. What is a fact, is that it was a complete failure. What did this conference, in which our Prime Minister, according to his followers, played a leading part, accomplish, as a whole? Practically nothing. Resolutions were adopted, declaring that many changes were necessary, however, while so agreeing each of these gentleman were in fact speaking for their neighbour Evidently too many people had journeyed there to air their own national problems. Canada first; the United States first; the United Kingdom first; etc., but nothing which affected the world. Public opinion, in almost every country, became at the outset sceptical and subsequently remained so. The following, for instance, is how the French newspaper Le Matin expressed it:

To the outsider, it is a religious celebration where are chanted only hymns of universal brotherhood; to the insider, it is a sad mix up where every one thinks only of his own interests.

Moreover, the English and German press were practically of the same opinion. It was stated that prospects seem little encouraging, that the outlook was rather uninviting, that the conference while considering certain side

questions, remained helpless before the crisis, etc. In fact, it recalled very much the Tower of Babel.

At times, however, it was rumoured that, thanks to our Prime Minister, the conference had been saved, but that there would be no further discussion on the subjects which had prompted the conference. It was indeed a strange rescue! As all are aware three important questions were to be threshed out: war debts, tariffs and currencies. First, the discussion of these important questions were set aside. Hence, it became quite evident that a complete stale-mate would result and that is what happened.

This conference, known in certain quarters as the "London omnibus" in which 68 nations had reserved seats for an unknown destination, had opened without the necessary preparation. It ended with entirely divergent opinions, hesitations, sudden changes of views, discontent and even with threats. This is now known to all. The conference did nothing to stabilize international currency and that was certainly the most important problem which it should have taken up. I cannot, therefore, see how our Prime Minister can credit himself with any glory, boast of the so-called advantages and endeavour to make us believe that our country benefited somewhat.

It is unfortunate that this government has practically done nothing worth while to help the farmers of my province. Yet, they suffered for a number of years and are still suffering like all others the consequences of the crisis, when their products sell at ridiculous prices, not even sufficient to meet their liabilities. The government within the last years, thought fit to help the western farmers, by granting them a bonus on wheat and setting aside for such a purpose large sums. The eastern farmer, who is also called upon to bear, to a large extent, the imposts and taxes, requested that some help be also extended to him in connection with his products, his dairy products, for instance, and more especially butter. He obtained nothing. Certain privileges were also granted to the western farmer with reference to the distribution of seed grains, yet the eastern farmer, because of the difficult times we are undergoing, would have been very thankful to enjoy similar privileges. I regret that nothing was done, for it is more than time that the government should make a decision as regards helping the eastern farmers, just as it did, in the past, for the western farmers. Faced with these requests the government replied that it regretted to be unable to intervene unless conditions in Quebec, became such that the provincial government found itself unable to cope with the situation. Again do I state that I do not think that this is a fair distribution of federal grants. I therefore request that such a policy be changed.

Furthermore, I regret that as a whole, the government gives no greater consideration to the interests, requests and just claims of the farming classes. It should not so easily forget the pledges and representations made to these classes in order to hoist itself to power in 1930. In these days of distress, it should neither forget that, in fact as well as in principle, agriculture is and remains the most efficacious remedy for unemployment, and that it was rightly said that it is the only industry which feeds and houses its man.

There are also other reasons, in a more general way, which should induce the government to give more consideration and help to the farming class. And I think it is befitting to recall, at present, that it is more important than ever to take the necessary measures to re-establish the disrupted equilibrium between city and rural life. Such fears existed on the eve of confederation, when the rural population represented 80 per cent of the entire population of this country. Strange to say, now that the ratio is down to about 40 per cent no worry seems to exist as regards this abnormal state prevailing in a country like ours. The speech from the throne mentions certain measures which might be enacted in connection with the setting up of farm credit, both as to short and medium terms. Although, regretting that the government had awaited the fifth session of this parliament to give consideration to a measure of such importance, I trust that it will adopt the means by which such a plan may materialize. I further hope that, in keeping with the solemn promises which it made, it will find the markets which the farmers absolutely require for the sale of their products, at fair and profitable prices.

Our opponents still reproach us for not helping them, making suggestions, cooperating with them in solving the difficult problems which they have to face, teaching them how the previous administration, so much taunted by them in 1930, managed to reduce our liabilities, accumulate surpluses, decrease the imposts and taxes, and expand our trade. In their heart they remember the glorious years of the liberal administration and they are fully aware that the people, who equally remember all this, do not lose an opportunity of weighing the facts, and this explains the government's failure in the three by-elections, last year.

First, we might remind them that, in 1930, they were more boastful, they undertook to settle everything, remedy the evil in a few months, relieve unemployment, raise the price of farm products and find work for all. They certainly had no need of the liberals to perform all those deeds. Their leader, the right hon. Prime Minister, could, then, see nothing beyond Canada. He strongly and boastfully asserted that, if unemployment was spreading it was due to the negligence and incompetency of the government, that in a country like ours, unemployment was impossible if the government holding office carried out its duty, that it was an easy matter to promote our trade and, to attain such an end, he proposed, if necessary, to blast the way to the markets of the world. By the way, he naturally did not forget to charitably qualify the members of the King government as "mercenaries," of men thinking of their selfish interests, and he compared the leader of the liberal party to Judas. However, the right hon. Prime Minister has a habit of expressing such kind words towards his opponents. Did he not state, a few days ago, in the house, in his speech that the leader of the opposition did not do honour to the high post he occupies.

What happened following this display, this fine zeal, these ill-considered pledges, unrealizable promises and ridiculous bragging.

Unemployment, which was to be remedied in a few months, rapidly spread in a most alarming way. The number of unemployed was then 117,000; two years later the number had increased to over 1,000,000. The government was therefore not fulfilling its duty. Our trade decreased most alarmingly. The history of our trade, within the last few years, can be told by the following figures:

Year—	
1927	$2,306,000,000
1931	1,223,000,000
1932	946,000,000
1933	933,000,000

The government has therefore not done its duty.

Our revenues have not ceased to decrease. The government has therefore not carried out its pledges.

The national debt has not ceased to grow. The government has not measured up to its task. Ever since this government is in office, we have only heard of deficits. The government has therefore not shown efficiency.

Now, the help, participation and cooperation of the liberal party are sought. What good can come of it, since no account is taken of the suggestions it makes and has never ceased to make? Has not the right hon. leader of the opposition unceasingly pointed out to the house and to the public that high protection will produce no good, that a greater freedom in our product exchanges is necessary to the economic life of this country.

It is to be noted that in all this the liberal party is perfectly in agreement with the Congress of the International Chamber of Commerce, held in Vienna, at the beginning of last year and in the course of which a resolution was unanimously adopted which stated among other things, that:

The freedom of both national and international trade must be safeguarded.

Censuring, thereby, the folly of high tariff rates, so dear to this government.

The leader of the government will not apply any other policy than his exaggerated protection. The dire lessons of these last years unfortunately have had no effect on him.

As to the Liberal party its policy is well known, I think, and it will find no difficulty in having it endorsed by the people of this country at the next election. It believes and advocates that trade intercourse must be wider and freer; that trade is a series of barters, between free people, and it comprises imports and exports; that in order to promote exchanges, one must wipe out exaggerated tariffs and put an end to unjustified control of prices. Unfortunately, sir, it seems that, at present no economic policy guides the nations of the world, unless it be a system of excessive economic nationalism which, in the end will destroy itself, perhaps, by burying a civilization under its ruins. These are a few simple and common sense truths that are taught, expounded and advocated by all economists, ever since the beginning of the crisis.

The people are aware that the Liberals in applying their policy brought on prosperity in the past, and they again realize that no good will be derived from putting in force an unsound policy of high protection and barriers to trade. That is why the people anxiously await the day of settling accounts, and that is why also, they wanted, last year, that the result of the by-elections in Yamaska-Restigouche-Madawaska and Mackenzie should be the "mane, thecel, phares" of this government.

The right hon. Prime Minister has often shown that he likes quotations from the Scriptures. May I remind him that it is written somewhere in the Scriptures that the tree is known by the fruit it bears.

The people who are watching every act of their government are well aware that the putting in force of its policy will not bear sound fruit to our country.

It is the leader of the government himself who signed his death warrant when, in 1930, he made solemn pledges which he never kept. He was the one who laid down the principle that, in a country like ours, if destitution, hardships, distress and unemployment is felt, it is not the fault of individuals but of the government which does not live up to its obligations.

The people heard his appeals, promises, pledges, and after they had placed their trust in them, they were bitterly deceived and they now await the opportunity, in the next dominion election, to give vent to their discontent, by emphasizing the fact to the Conservative party that, if it were able to deceive and fool them in 1930, the same thing will not repeat itself at the next election.

Mr. J. K. BLAIR (North Wellington): Mr. Speaker, I appreciate the opportunity of expressing my views on economic questions in this debate. We feel that we are under a greater obligation than ever to proclaim the gospel of trade and commerce because we believe that the nations of the world have been engaged in a tariff war, and that this narrow policy of economic nationalism is principally responsible for the depression through which we are now passing.

We also believe that in many countries of the world the voice of the poorer classes is not heard, but rather the voice of the upper and wealthier classes. Socrates, an ancient Greek, thought that the voice of the people was the voice of the deity and that the voice of the people should be heard; that the people, by a process of trial and error, would rise to a higher level. Socrates was put to death and was followed by Plato. Plato thought that the voice of the people was the voice of ignorance and should not be heard. Later on Plato said, "Why trust the people who crucified their leader?" After Plato's time there arose another great philosopher, Aristotle, who was a pupil of both Socrates and Plato. He thought that the voice of the people should be heard in government and that it should be regarded in accordance with the intelligence of the people. He was the teacher of Alexander the Great, and when Aristotle taught Alexander the policy of Socrates and of Plato, the king asked him which of the two he should use. The reply was, "If the people are intelligent, both poor and rich, use the policy of Socrates in some of the Greek states; that policy could be applied geographically." But he went on to say that in Persia, where the people were ignorant and only a few of the upper classes were intelligent, the king should be guided entirely by the upper classes and the poorer people should be ignored.

The question to-day is, Mr. Speaker, which policy is this government following? Is it listening to the voice of the masses or to the voice of a few of the upper classes? I think we can test that by an illustration. When the Liberal government was in power, hon. gentlemen will remember that four thousand people marched upon Ottawa from Oshawa wishing to see the Hon. Mr. Robb and the then Prime Minister (Mr. Mackenzie King). While they were deliberating in the theatre how they would see them, Mr. Robb and Mr. Mackenzie King walked into the theatre and asked them what they wanted. The Liberal government believed that the voice of the people should be heard, that the people should tell them their needs, and when the representatives of those four thousand people presented their case to the government they said, "We want better pay and more work, and you can secure that for us by raising the tariff." But Hon. Mr. Robb replied, "We will see that you get better pay and more work, but we will not do it by raising the tariff." On the contrary, Mr. Robb and the Liberal government lowered the tariff, for that was their policy, and the result was that these people got better pay and more work.

That illustrates in a simple way that the Liberal party believes that the poorer classes should have the opportunity of making their needs known to the government, but they ought not to try to prescribe for themselves. They should go, as a patient does to the doctor, and tell their complaints, but they should not attempt to prescribe for themselves, for if they should try to do so they might poison themselves. In this instance their needs and wants were taken care of but not in the manner in which they had prescribed for themselves.

What do we find in contrast to that? Last year approximately 4,000 people, mostly farmers of Ontario and Quebec, came to Ottawa with a petition for the government. What was the result? Their voices were not heard. I, along with the hon. member for North Huron (Mr. Spotton), went to see the Prime Minister (Mr. Bennett) on behalf of these people. The hon. member for South Huron presented his request in these words: Honourable sir, I know that you are busy and may not be able to come down yourself to see these farmers, but will you delegate someone, perhaps the Minister of Agriculture (Mr. Weir), to act as your representative and speak on your behalf? The Prime Minister refused to do this. He said he had come to a decision and would not delegate anyone else to act on his behalf. He said:

I am busy, I have an appointment with Lord Rothermere. I think the Prime Minister's action showed an entire lack of responsibility to the people. He was not in the employ of Lord Rothermere; these four thousand farmers were the ones who were helping to pay his salary. They had travelled many miles to see him and his refusal to see them was a declaration that the voices of the masses are not to be heard in the councils of this government.

Our party stands for the principle of equal rights to all and privileges to none. We stand for the retention of the power of taxation in the hands of parliament. We believe that people should pay taxes according to their ability to pay. We do not believe in a horizontal tax such as we had in the case of sugar where the child at a mother's knee pays the same as the millionaire. We believe that the burden of taxation should be according to the ability of the people to pay, but the sugar tax is not of that nature. Such a tax is a crime. We believe in gradually reducing tariff restrictions upon all necessities consistent with the revenue requirements of the country. We believe in the promotion of a favourable reciprocal trade not only with members of the British commonwealth of nations but with all nations of the world. We believe that that would be a leading factor towards a permanent and successful agriculture, industry, shipping and international trade. We believe it would place Canada upon the highway which would lead to an outstanding position among the nations of the world.

The Prime Minister gave us somewhat of a promise that reciprocity would receive consideration but we have no reason to expect this. I would not expect a man to put through a policy in which he himself did not believe, and the policy of reciprocity has been denounced by the Conservative party. We believe that the nations of the world have swung towards higher tariffs which work to the advantage of the wealthy at the cost of the poor. They are making the rich richer and the poor poorer. The papers announce that thirty-seven new millionaires have been created in this country during the last three years. This statement cannot be proved as statistics are not available but we have access to the statistics of the United States. That country recently had a government whose policy resembled that of our own and I should like to quote certain figures to show the increase in incomes which occurred from 1927 to 1928. They are as follows:

Class of income	Number of individuals		Increase	
	1927	1928	Number	Per cent
$ 100,000 and under $ 150,000	5,261	7,049	1,788	33
150,000 and under 300,000	3,873	5,678	1,805	46
300,000 and under 500,000	1,141	1,756	615	53
500,000 and under 750,000	384	685	301	78
750,000 and under 1,000,000	173	298	125	72
1,000,000 and under 1,500,000	138	284	126	90
1,500,000 and under 2,000,000	56	108	52	92
2,000,000 and under 3,000,000	55	91	36	65
3,000,000 and under 4,000,000	22	40	18	80
4,000,000 and under 5,000,000	8	18	10	124
5,000,000 and over	11	26	15	136

How can any nation exist with such wealth in the hands of the few? Yet the governments seem to be assisting in this process. I believe that the report in our press was correct and that if available our statistics would show a similar condition. These Americans of great wealth are the ones who are advertising what a great depression there is in that country. They claim that this period of great distress is an act of Providence and unavoidable. I believe that depressions are man-made and I do not see why we should have one at this time. My belief is that this class is responsible largely for our present depression. According to the figures I have quoted, it would not appear as though there is a depression. It simply means that these people are extorting money from the poorer classes and doing it internationally and in a scientific way, because I think that they work in cooperation with other nations.

This government has granted to the millionaire in Canada many special privileges but perhaps the most cruel has been the sugar tax, which was really a donation to the wholesaler, paid by the poverty stricken consumers. We are told that Canada is rapidly advancing towards greater prosperity, but how can we say that with such assurance when we learn that nearly 190 municipalities in the province of Ontario, for example, are not paying their share of relief, 19 of them declaring

themselves bankrupt and refusing to pay anything,—such places as Windsor and the Yorks and places around Toronto. It would be different in the case of municipalities up in New Ontario where new settlers are trying to get a footing, but I am referring to places near Toronto where there are people living in fine homes. I do not see why the farmers in the county of Wellington should be paying their taxes, when there are people elsewhere living in lovely homes, riding around in large cars and so on. There is something wrong. The strange thing about Toronto and the Yorks is this. Listening over the radio to the messages coming from the Conservative clubs we have been told that there should be a curtailment of everything, that the reason we have a depression is that there is a superabundance of everything. The people in these clubs were praying for scarcity, and at the time of Thanksgiving, while they were praying for scarcity, those churches in Toronto of the same political calibre as that party were praying for abundance to make glad the heart of man. Here were politicians praying for one thing and churches of the same persuasion praying for something else, so that the Almighty himself could not tell what they wanted. What a strange notion, that famine is due to abundance. Suppose we were going along the road and a squirrel came running out of the bush, with tears in his eyes, telling us that there was going to be a famine this winter. One would ask why; and suppose the squirrel said that there would be a famine because there were too many beechnuts. Naturally one would think that there was something wrong with the poor squirrel's head. Yet that is the sort of thing we hear from the government. Hon. gentlemen opposite are great advocates. I believe that our Prime Minister is one of the best solicitors and advocates I have ever heard. He will take an idea that is positively absurd and prove it to the satisfaction of the general public—prove it to the hilt. And they will believe him in many instances. He is a great advocate, and if only he had a leg to stand on he could travel through anything. He will try to prove that there is a famine in the land because there is a superabundance of everything. What more absurd idea could be conceived? One would laugh at the poor little squirrel for suggesting that there would be a famine because there were too many beechnuts; one would laugh at the mentality even of a squirrel for suggesting such a thing; yet we give our Prime Minister license to put forward and defend such notions.

All through my territory during the last election the railway men were told that if the tariff were raised two or three times higher than it was at one end of the road and raised to the same height at the other end, and if a sales tax of 6 per cent were imposed all round, there would be a great improvement in railway traffic. That was an obviously silly idea, of course. While some may not speak too highly of the minds of railway men, I must speak in high terms of the arguments of the Prime Minister; for he put that idea across, so that we could not get it out of the minds of the railway men. He proved to them that if he raised the tariff two or three times as high as it was, and if he put on a high sales tax, the railways would be more flourishing than ever. I do not know how he did it; no doubt it was his capacity for argument and for bringing his ideas to prevail among the poorer classes. But the notion was absolutely absurd to anyone who thought for himself. He carried that argument with the people, although we believed then as we believe now, that the situation is only aggravated by these high tariffs.

The Minister of Trade and Commerce is carrying out the old policy of Joseph Chamberlain, of splendid isolation. Chamberlain argued that the British people were the chosen race of the earth and should isolate themselves from the common herd, and trade among themselves. That is all very well, but we as a party believe that we should trade anywhere and everywhere. We firmly believe in the British preference, but we do not wish to cut off our trade relations with other countries. Our Minister of Trade and Commerce has a splendid appearance: he has the superficial veneer of a high class gentleman, and is, I am sure, a gentleman; but he lacks that discretion and judgment which you find in the Englishman all over the world and which make the Englishman such a splendid trader. When the late government was in power and was about to negotiate with any other country, the keynote of its negotiations was secrecy, and when the minister came out of a cabinet meeting and was approached by correspondents he had no messages to broadcast. The result was that the negotiations were kept secret and the object of the government was not frustrated. When the price of sugar was high and fish and potatoes were cheap in the maritimes, we negotiated a treaty with the West Indies with the result that sugar was reduced in price and we also received a better price for our fish and potatoes. What do we find now? When we go to the moving pictures we find that the Minister of Trade and Commerce

appears on the screen, and there is broadcast a speech prepared by himself or someone else, telling just what he is about to do, what policy he is about to put into force. It seems to me that if any government were about to put into force a particular policy in connection with trade with another nation it would strengthen its position by keeping quiet about the whole thing until the agreement has been executed. But our Minister of Trade and Commerce would seem to be the advance agent for other nations, so that the trade is all gone before this country can benefit. Can you imagine an automobile dealer in Ottawa broadcasting the fact that he is going to Peterborough in ten days' time to sell ten cars to some firm there? Why, his trade would be gone before he got there. But that is precisely the position in which the Minister of Trade and Commerce places himself. He advertises his modus operandi, his method of working and destroys his business before he gets it. And so we have much ado about nothing. We have trips and negotiations, but we find our trade going down steadily. Is that the way in which England won the trade of the world? And how much better in trade and commerce has been the work of our Prime Minister? We can well remember when Mr. Forbes was here and the government slammed the door in the face of New Zealand. We lost millions of dollars and did not raise the price of butter one cent.

Our treatment of Russia will be remembered; the Prime Minister was here day after day chasing the Russian bear. He spent his time chasing the Russian bear, and whenever he rose to speak and his followers were applauding him, I was reminded of Arcturus chasing the Great Bear round the polar star every day and returning to the same point in twenty-four hours. Therefore, whenever I listened to the Prime Minister chasing the Russian bear I said: That is Arcturus again chasing the Bear and the Greeks applauding. The Prime Minister would have been much better advised had he put through a trade treaty with Russia. In this way Canada could have obtained millions of dollars; we could have sent our machinery to Russia; we could have traded with her in many ways, but instead of that the Prime Minister seemed to think it was his duty to attend to the social and moral obligations and the domestic affairs of that country. He went beyond the pale of his jurisdiction. The glory of Britain and her sons is that they will trade with any country in the world; the British traders would trade with China where they have loose marriage laws, with Turkey where they have harems, with the cannibals of the South Sea. The British trader did not interfere with the domestic arrangements of other nations; he was out to trade with them. We would appreciate it much more if our Minister of Trade and Commerce, instead of placing himself on the screen in the movies as an advance agent for other nations, would pay more attention to Canada's trade and if our Prime Minister, instead of chasing the bear, because we never elected him as Prime Minister to be Arcturus, would be a real minister of trade and commerce. It will be remembered that the Prince of Wales said:

> Failure to recognize trade as interchange and obstacles placed in the way of reciprocal trade are perhaps the main causes for the world's present troubles. The British peoples have the idea of commerce running strong in their blood.

The Prince of Wales believed lack of trade was a great cause of the depression.

As regards the Prime Minister not coming to see the farmers when they were in Ottawa, we wondered what detained him. He was too busy talking to Lord Rothermere. That is rather significant in view of the fact that he has had decorations bestowed and has reintroduced titles in Canada, which is something we do not need here. The idea of bestowing titles never flourishes in a democratic country; aristocracy and democracy are not compatible institutions. As democracy advances, aristocracy recedes and vice versa, so that if we want to maintain Canada as a democratic country, the fewer aristocratic methods we have the better for us. This bestowal of titles is simply an old relic of feudalism and is quite unnecessary in this democratic country. The Prime Minister and his colleagues made a tour of Canada and we thought they were investigating the unemployment situation and the question of trade and commerce. They came back, however, with a long list of ladies' names. When they were out there, they had on their dancing slippers and their long-tailed coats; they were not looking after our labouring people at all. We thought that they would produce a solution for unemployment, but after months of labour they brought forth a list of bouquets to be sent throughout this country. That is the last thing we need here. What we do need is attention to our unemployed, to our trade and commerce; bread and butter are what we want.

Methods of communication have been greatly improved of late; we have the telegraph, the telephone and the radio, but while I may be wrong, I do not believe any labouring man or farmer has any way of communicating with a millionnaire who has always

been wealthy. There is too much mental static and the message cannot be got across. We have tried for three years to get it across, and have failed. It would have been useless for the Prime Minister to go down to listen to those farmers, because he would not have understood what they were saying. Were a prime minister who is also a millionaire to have been at one time for a week on the end of a crosscut saw or behind the carriers of a threshing machine, he would have something in the nature of a detector bulb in his brain and when a message was being sent to him, the wave length would harmonize, he could tune in and know what was being said. But you cannot send a message from a labouring man to a millionaire who has always been wealthy. Votes will register, but a message will not. There is too much interference, too much static, too many crossed wires.

The government, instead of handing out bouquets lavishly, should have made some provision for our farmers; it must give them a new deal. Take a farm which three years ago was worth $6,000 and had a $3,000 mortgage on it: to-day the farmer has no equity in it and the mortgage company really owns the farm. In addition, we have to consider the low prices that are being obtained for farm products and the high rates of interest being charged, and we must not forget that this situation was brought about largely by the actions of the government. They took all the money out of our rural districts and our towns and villages for their national bonds, depleting the whole country. The result is that we cannot get mortgage loans upon our farms and those in the towns cannot obtain loans on their houses. I should like to see any person try at this time to secure a farm mortgage. It cannot be done in the rural districts of Ontario and I imagine the situation in the west is worse. The man who holds the mortgage is afraid to seize the farm, because at the present time farms are worth very little. If this government would like to help the farmers let them open the gates of trade so that the farmers' products could get out into the world's markets.

Then there are many little things in which they could help. Take the stockyards such as those in Toronto where $30 a ton is charged for hay when hay is selling for $6. The farmer has to take whatever price is offered for his stock but has to pay these unduly high prices for feed, such as $40 a ton for grain. In every way possible they extort money from the farmer and spoil his sales. Then we have these men stepping around trying to grade pigs on the hoof; it would be a blessing to Canada to dismiss every one of these hog graders. Hogs should be graded on the rails, they cannot grade hogs on foot anyway. These fellows are simply working in the interests of the abattoirs.

Now I think we should state briefly the policy of our own party. I will mention just a few points before I close. There is the unemployment situation, that is the most important problem. We think that a representative national commission should be formed which would cooperate with the provinces and municipalities. The unemployment situation was the means of this government getting into power and this government has never dealt with it since, not in a reasonable way. They have been giving doles but that is not what the people want.

Then we want the liberation of external trade. The Liberal party believes that trade is the basis of industrial and commercial development, and that Canada needs trade. The Liberal party would promote trade with all nations.

We need the liberation of internal trade. The Liberal party will seek to end artificial price control and agreements in restraint of trade. Price fixing by agreements restricts and hampers trade. The internal trade of our country has become honeycombed with and enmeshed in secret understandings and agreements.

We want to develop the primary industries. The Liberal party by its policies will continue to further the development of agriculture, lumbering, mining and fisheries by effecting reductions in the costs of production of Canada's basic products and by obtaining wider markets.

We want to safeguard our national railways. We want the democratization of industry. The Liberal party believes that industrial reconstruction is the problem of the future. It will seek to give to workers and consumers, as opportunity offers, a larger share in the government of industry.

We stand for the restoration of responsible government and the reassertion of personal liberty, electoral reforms and a balanced budget. We think it is extremely important to have the budget balanced. As the Right Hon. Arthur Meighen said, we cannot borrow ourselves into prosperity.

Mr. EUSEBE ROBERGE (Megantic) (Translation): Mr. Speaker, after perusing the speech from the throne and listening to the address moved by the hon. member for Compton (Mr. Gobeil), I am unable to discover anything in them which might relieve

immediately the present crisis and still less carry out the promises made by this government in the course of the 1930 election.

Since the last session I have visited many of my old constituents as well as a few from the new parishes which were added to the county of Megantic, at the last redistribution. What are the workmen, farmers and all classes of society saying? Bennett is not carrying out his pledges. Farm products, as a whole, have dropped 50 per cent since the Conservative government has taken office. The workers, especially the miners, hardly earn 50 per cent of the wages they had in 1930, and naturally are only employed half time. Moreover, the people of the counties of Wolfe, Beauce and Megantic are dissatisfied at seeing their counties cut up arbitrarily without any good reason and in the mere hope of retaining or winning these three counties within the Conservative fold at the next election. The Conservatives, far from having made their position secure through these changes, have simply created discontent and the people only await an opportunity to vote, as a whole, against them so as to avenge the insult made to them when their counties were cut up and furthermore, because the government did not carry out the promises made in 1930. The Conservatives misled the people in 1930, but they will not do so at the next election.

The hon. member for Dorchester (Mr. Gagnon) who was able to feather his nest at the last redistribution, made a statement of this kind at a large meeting at St. Malachie:

> The Liberals think that we are reluctant to discuss the sugar tax; however, I am not afraid to do so. It is an excellent measure, the government is in need of revenue and this tax will net them $20,000,000. All will be called to contribute, yet no one will be the poorer.

I think the hon. member would change his mind were he to take up the subject with the workmen.

The hon. member told the farmers that they would get a better price for their maple sugar. What happened? In 1933, the farmers had to sell this commodity cheaper than they ever did for forty years, ever since I have been in business. In my own parish, a car load of maple sugar was shipped and the following prices were paid to farmers:

Quality—

No. 1	5 cents per lb.
No. 2	4 cents per lb.
No. 3	3 cents per lb.

The farmers therefore received on an average 4 cents per pound for their sugar, the lowest price ever paid in my county. This is all the benefit derived by the farmers from this tax and they had to pay dearer for their granulated sugar. The hon. member only spoke once on this subject. I think he must have been warned, because since then, he never referred to this sugar tax in the meetings he held, at least, judging from newspapers. . . .

If ever there were an unfair tax levied by the government it is certainly the one on granulated sugar.

The Prime Minister (Mr. Bennett) introduced and had adopted by this house a resolution to the effect that a committee be appointed to investigate the dealings of trusts and profiteers. The Prime Minister could have acted before, because there exists an act empowering him to investigate trusts and the dealings of people who rob the people by their exorbitant profits.

The evidence at the coal inquiry showed that coal dealers were not content with twice the profits that our county merchants make. If they were their profits would be quite acceptable and coal would retail at the most $10 per ton. The trusts, however, retail it to-day at $14, $15 and $16. Every coal consumer has, therefore, contributed to these trusts at least $50 more than they should. In these days of depression, I think, that our people would highly appreciate $50.

The same applies to gasoline. If we were not bled by these trusts, this commodity would retail 5 or 6 cents cheaper per gallon.

Another article which is also controlled, to a large extent, by trusts is leather soles. The farmers are paid for raw hides from 1 to 3 cents per pound, the manufacturing process cost, let us say, 10 to 12 cents per pound which is a reasonable profit, so that leather cost the trusts from 13 to 15 cents per pound. The latter first extended their control over the small manufacturers, to-day, they sell this leather from 45 to 55 cents per pound. It is simply robbery to make such large profits on an article of first necessity. These are the trusts that this government tolerates in our country, they are to a great extent responsible here and abroad for the present crisis through the robberies committed when they realized such large profits and over charged the people. Should a poor person steal so as to provide for his wife and children, he is arrested and sent to gaol, but directors of coal, gasoline and leather trusts, etc., are allowed to steal thousands and thousands of dollars, daily, and are not molested. They are the ones who should be arrested and sent to gaol instead of

the poor people; moreover, the wealth acquired by fleecing the people should be confiscated by the state.

The government, sir, has introduced a resolution, just before the expiration of their mandate. Before the inquiries are completed—a very long time—the people will have swept them from power. This government has no intention of preventing trusts from fleecing the public or of having these highway robbers arrested. Two years ago, I exposed, in the house, a man who had fleeced the public for twelve years. I refer to Garfield McKinnon who had fleeced mail conductors. I supplied the government, then, with affidavits and all the necessary evidence to enable them to arrest this individual. I personally, made the request, in the house, to the hon. Postmaster General (Mr. Sauvé) and the hon. Minister of Justice (Mr. Guthrie). Nothing was done because he is one of their partisans, so it is said.

What the people require, sir, are not promises, conferences, inquiries and trips to Geneva or Cairo, it is work and better prices for farm products. As the government is unable to carry out its promises, it should give the people an opportunity of expressing their views, it would then learn whether the people are satisfied with the administration of public affairs. The recent by-elections have shown that they are not. The other sections of Canada, therefore, should also be given an opportunity to express their views.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, in rising to make a few observations on the address in reply to the speech from the throne I intend to follow my usual custom and be brief in anything I have to say. There are certain points which concern the people I represent and which I should like to place before the house and government, and I intend to take this opportunity to do so.

Before proceeding however may I congratulate the mover and seconder of the address upon the manner in which they acquitted themselves in the task they had to perform. I had a similar experience some few years ago, and I realize that either moving or seconding the address in reply is no small task. However when I had the honour of doing so I was seconding an address presented by a government which was doing something for the people, a government which had surpluses instead of deficits, a government which legislated for the masses of the people rather than for the privileged few, a government which was reducing the costs of production in the primary industries and giving them every chance to make both ends meet and a government which was reducing the public debt. Therefore, with the particularly hard task these gentlemen had to perform, I believe they acquitted themselves very well.

On Tuesday of this week the hon. member for Souris (Mr. Willis) appeared to be very anxious to find out my political status. He is reported as having said the following:

> How could we get the point of view of the hon. member for Provencher (Mr. Beaubien)? He sits with the Liberals, but we find that he calls himself a National-Progressive. Just what is a National-Progressive? I must confess it is difficult to understand even a rational Progressive, but a National-Progressive is quite beyond the bounds of human thought.

Well, if the hon. member for Souris is so anxious to find out what the word "national" means let him refer back to the National Liberal-Conservative party of 1921, and he will get the definition. May I also tell the hon. member that I am not concerned as to whether or not he knows my political status, but I am concerned with the rights of the electors I represent in this house. For the information of the hon. member for Souris may I state that in 1921 I was elected as a National-Progressive; again in 1925 I was elected as a National-Progressive and in 1926 the Liberals and Progressives in my constituency decided to unite their forces, and after uniting chose me as their candidate. What happened? I was the only man in Canada elected by acclamation. What happened to the Conservative candidate? He got stuck in the mud which they had been slinging all through the campaign. Again in 1930, with the Liberal and Progressive forces in fusion, I was elected by the biggest majority that was ever given to any candidate in the riding. I had three opponents, and I am sure that the Minister of Finance, who is always looking for money, was very glad to get that $600 which I brought into the treasury for him. That is my political record. The electors know where I stand, and they have sent me here for the last twelve years. I believe, Mr. Speaker, that they are just as intelligent to-day as they have been through all those years.

Now a word as to political parties. When the Prime Minister made his opening campaign speech in Winnipeg on June 9, 1930, he promised everything under the sun. He was going to blast his way into the markets of the world, and find work for every man and woman who wanted it: in short, he promised everything under the sun. The people believed him to a large extent. He was a big man, and at that time they thought he might be a superman. But what have been the results? The biggest failure that has ever overtaken any government has taken place in this country in the last four years.

We have now in this house another political party, calling themselves the C.C.F. I shall not pronounce that like my hon. friend from Melville (Mr. Motherwell) did. As he pronounced it, using an "h," it sounded like C.C.heifers. I do not think that is right. What is this new party doing? They are promising everything under the sun to-day, so much so that after their convention in Regina I went to my spiritual adviser and said, "Scratch me off your roll." He asked, "Why?" I showed him the C.C.F. platform. I said, "They are going to provide heaven on earth for me and everyone else so why should I seek it elsewhere?" They are promising to socialize the natural resources of this country and to leave unsocialized our greatest natural resource, which is the land. They are promising to uphold and follow the democratic system under which we live, and yet they know that if they are ever going to put their program into effect it cannot be done except under a system of dictatorship.

Mr. GARLAND (Bow River): Rubbish.

Mr. BEAUBIEN: It is not rubbish, and you know it because you are intelligent. But they will not fool the people. The man who is out on the land is attached to the soil. He might find himself in a financial position to-day which is almost unbearable; he might owe a great deal more than he ever will be able to pay, yet that very same man wants to control his own land; he wants to work out his own destiny to the best of his ability without any socialization of our natural resources or of the land. No, Mr. Speaker, the C.C.F. are not going to give me heaven on earth, and since I have listened to their speeches in this house I am going back to my spiritual adviser to ask him to put me back on the roll.

I wish now to deal with a few paragraphs in the speech from the throne. Here is one paragraph the sentiment of which I appreciate:

> Since I have been associated with you as the representative of His Majesty in Canada, I have visited every province of the dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

I want to thank His Excellency the Governor General for his visit to parts of my riding this year. I had the honour and the privilege of accompanying him with a large delegation through certain parts of my riding, and I can assure the house that we were pleased and honoured to see him. Our people were anxious to meet the representative of the crown in Canada, and I am sure that His Excellency, when he remembers the warmth of the welcome which he received in that part of Canada, will take the first opportunity to revisit other parts of the riding. I invite him most cordially to do so. I wish to assure him that the people will be very glad to see him and show him their loyalty and devotion.

In another part of the speech from the throne the government says:

> You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

Any legislation along that line will receive my hearty support. There is no doubt that there is too great a spread between the price which the producer receives, especially in the production of live stock, and the price which the consumer pays when he buys the commodity on the market. Any legislation which will give to the actual producer of live stock and other farm products a greater return will be of benefit not only to agriculture but to the whole of Canada.

Another paragraph in the speech from the throne refers to the royal commission on banking and currency and the establishment of a central bank. A central bank might be a very good thing for Canada; I am not in a position to say. But I do know that the establishment of a central bank will not touch the ordinary individual; it will not touch the farmer.

Further on in the speech from the throne the government say that they are making a study of agricultural credits:

> My government have been giving careful consideration to measures that might be adopted for the establishment of agricultural short term and intermediate credits; and have invited representatives of the provinces to study the means by which practical effect may be given to the recommendations in this respect made by the Royal Commission on Monetary and Banking Problems.

What does the report of the Macmillan commisison say? At page 70 of the report I find this:

> In a memorandum prepared by a committee representing the governments of the three (western) provinces, it is estimated that the annual gross revenue from agriculture in these provinces fell from $843,153,000 in 1928 to $273,738,000 in 1932, representing a loss of 67½ per cent in farm income.

You can imagine, Mr. Speaker, the position of an industry which finds itself facing a reduction of 67½ per cent in its income, and yet that same industry is the most important

industry to the well-being of Canada. The commission further said:

In the memorandum filed on behalf of the United Farmers of Ontario, an estimate made by the Dominion Bureau of Statistics of the values of field crops in Canada was given as follows:—

1928..	$1,125,003,000
1932..	416,586,000

There is a depreciation of two-thirds in the value of field crops. The commission continue:

The following is an extract from the evidence submitted on behalf of the United Farmers of Ontario as to the problem of short term credit in Ontario.

And this, Mr. Speaker, is applicable I think not only to Ontario but to all our centres of agriculture. I quote further:

Generally speaking, within the last two years the banks have ceased to function in regard to Canadian agriculture. Agriculture is taken to be an activity, or an industry that is not worthy of credit, and from the banking point of view I am not blaming them.

I do not desire to cast any reflection upon the banks, but the fact is that as far as agriculture is concerned they have ceased to function. I hope the genial Minister of Finance (Mr. Rhodes)—when I say "genial" I mean it—will take what I am about to say under very serious consideration. When a farmer wants to get a small loan of $30, $40 or $50 to carry on seeding or harvesting operations, he goes to the bank and asks for money. The banker tells him that he cannot make the loan because he has no jurisdiction, that it must be referred to the head office. He then says to the farmer: "Suppose you do borrow this money, how are you going to pay it back?" The farmer tells him that he hopes to repay it from the proceeds of his farm. The banker answers right back: "With the present prices being paid for commodities, you would not be able to repay this loan from the proceeds of your farm because your costs of production are higher than the prices you receive for your commodities." The farmer is absolutely tied. I have known of dozens of cases where 150 or 200 acres of land have been ready for the binder but the farmer could not buy the twine with which to tie his grain. He could not get the money from the bank and the man who was selling the twine would not give credit. What does the farmer do in a case like that? There is no stock prepared for market as it is too early in the season and the only thing he can sell is a milch cow or two. Over and over again I have seen a farmer taking a couple of milch cows to the market to be sold in order to get $30 or $40 with which to buy twine. He is forced to deprive his family of what is absolutely needed; he has to sacrifice his milch cows on the market at Winnipeg in order to get the small sum he requires for the purchase of his twine. If the grain is not tied a hailstorm might come along or a sudden change take place in the weather and his crop would be destroyed in five minutes.

Both from the national standpoint and the necessity of the continuance of agriculture, there must be short term credits. I do not contend that the farmer should be able to borrow without having to repay, but legislation should be brought down to enable the farmer to get a short term loan. Surely there must be some way of seeing that the lender is protected and the borrower is enabled to obtain the money he needs. I urge the Minister of Finance not to continue to dilly-dally with the provinces in order to find out what is the best form of legislation. Let us have legislation at this session which will provide the short term credits which are essential if the farmer is going to be able to continue.

I come now to the wheat agreement entered into by the Prime Minister with certain other countries and which provides for a reduction of about fifteen per cent in our wheat acreage. In referring to the surplus of wheat, the pamphlet issued by the government states that this surplus has continued to increase since 1928. It states also that the surplus began to accumulate in 1924. There may be a surplus of wheat in the world; I do not know, but I do know that a lot of people are underfed while we have an abundance in this country. In connection with certain schemes this government seems to work in opposite directions. In 1931 the Prime Minister introduced a measure to provide for a bonus on wheat of five cents per bushel. A bonus upon any commodity stimulates the production of that commodity. In 1931 there was more inducement to produce wheat than to produce barley or oats because the man who produced wheat got a bonus of five cents per bushel while the man who produced the other grains got nothing. The government knew that a surplus existed in 1931 because they so state in this pamphlet, yet they introduced a measure which had no other effect than to stimulate the production of wheat. The man who produced the most wheat got the most money. The government's action is just like a tug-of-war where the forces are equal; there is a pulling at each end but there is no motion either way—the government just stays put.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BEAUBIEN: At six o'clock I was dealing with the wheat reduction agreement and our quota for exportation, and I pointed out that, according to the pamphlet I have here on the wheat agreement at the London conference, in the year 1928 surpluses of wheat became quite apparent. The pamphlet states that the annual wheat production had by that time become greater than the effective demand from the importing countries. Yet this government, if this statement is true, in 1931 gave a bonus of five cents a bushel to the producers of wheat in Canada—a bonus that could have had no other effect than to increase the production of wheat; because the producer of barley did not get that nickel, nor did the producer of oats or of any other commodity receive it. The man who produced a bushel of wheat was sure to get five cents. Notwithstanding this, hon. gentlemen come along now and tell the people that they must reduce their acreage by fifteen per cent. If the statement to which I have referred is correct, that in 1928 there was a surplus of wheat in the world to the extent indicated, why did this government give a bonus on wheat production in 1931? If they wanted to indemnify the farmers for the low cost of their commodity, why did they not give them a bonus on all their production? And how did they apply the five cent bonus? The man who produced a considerable quantity of wheat got the five cents and the man who produced no wheat got nothing.

Now, if there is a surplus of wheat in the world to-day as the government contends, and I doubt it, how will they bring about a reduction in wheat acreage? There are only two ways I know of: one is to nationalize the land and control production, and if you do that you go over to the C.C.F.; and the other is to give the farmer a bonus for not seeding the acreage he intended to seed. Those are the only two ways I know of. The Canadian people are not ready for the nationalization of land and the control of production by the government, and the government is evidently not in a position to give a bonus inasmuch as it discontinued the bonus in 1932. But what do the importing countries engage themselves to do in this contract? What obligation have they undertaken? They have undertaken not to increase further the wheat acreage and not to increase production by governmental measures. There is a move in England to-day—and I am sure the Minister of Trade and Commerce is well aware of it—to double the production of wheat in that country. If you read Mosley's books you will see that, according to him, wheat production can be vastly increased in England; and as the Minister of Trade and Commerce knows, since England has adopted the protective system the farmer is looking for protection on his wheat. If he gets it he will increase his wheat production tremendously. The importing countries have engaged not to use governmental measures as a means of increasing the production of wheat, but there is nothing else to prevent them.

No, Mr. Speaker, acreage reduction as proposed in this agreement is not practicable, and I doubt whether the government will pass any legislation to put such a policy into force. Indeed, I do not know what sort of legislation they could pass to enforce such a policy. The western premiers may be in favour of the agreement; but the western premiers are not the producers of wheat. I made a survey of rural Manitoba this summer since the promulgation of the wheat agreement and this is what the farmers say: What right had the Prime Minister of Canada to go to England and enter into such an agreement and come and tell us what we shall do? Whom did the Prime Minister consult in this matter? Mr. J. I. McFarland, I suppose—and I do not know that he did consult that gentleman, because if he did it is the first time he has ever consulted anyone. At any rate, the farmers are not in favour of the wheat agreement, and if this government persists in the policies it has been putting into force since 1930 it will not need a wheat reduction agreement. Why, the machinery on the farm to-day is getting obsolete. If this continues, in a year or two the farmer will have no machinery with which to produce wheat. And if the present policies of the government are continued, how will the farmer buy new machinery? It takes everything you can grow on a quarter section to buy a binder; so that if the present policies remain in force no wheat reduction agreement will be needed. I think the Prime Minister had better leave it to the grasshoppers; they have been responsible for more reduction than this agreement will bring about.

May I deal for a moment or two with the resolution that was passed the other day with regard to the investigation into the causes of the wide spread between prices received for commodities by the producer and prices

paid by the consumer, the system of distribution and so forth. I am not opposed to mass buying, provided the consumers get the benefit. But what the people want to find out to-day, at any rate the people whom I represent, is how these industries function—industries that stand behind a tariff wall ranging from 25 to 75 per cent. The people want to know how such industries are functioning and to what extent they are exploiting the Canadian public. The farmer wants to know why the government imposed a 25 per cent duty on cream separators to protect the manufacturer producing about seven thousand cream separators in Canada, while putting this implement on the free list from Great Britain, where cream separators are not made.

Mass buying on the part of chain stores and large concerns has benefited the consumers to a great degree. Take the situation in western Canada. Before the chain stores and large concerns like Eaton's went into the west we did not know what we were paying for the things we bought. To-day things are different; there is competition and the consumers get the benefit of it. But it is in regard to the industries which this government has been protecting to a degree never witnessed before that the Canadian people want some information. They want to find out how these industries are financed, how much watered stock there is in the companies, and to what extent they are exploiting the Canadian people.

Let me refer to the hon. member for Souris (Mr. Willis). If the hon. gentleman or any other hon. member coming from Manitoba and sitting on the other side of the house would pay less attention to the question whether I am a national Progressive or a national Liberal Progressive, and devote their time to an effort to influence this government to put into force policies that would relieve the people of western Canada, I suggest that their time would be much better spent. It would be far more beneficial than any effort they may make to find out whether I am a Liberal Progressive or anything else. I see my hon. friend from Marquette (Mr. Mullins). I know he does not agree with the policies of the government. Let these hon. gentlemen leave me out of their consideration; instead, let them try to induce the government to institute policies that will help western Canada to get out of the chaotic condition in which it is to-day. If they do that I am sure their electors will appreciate it a good deal more than I fancy they appreciate their present attitude.

[Mr. Beaubien.]

The needs in my riding and in western Canada generally, in fact all over Canada, are these—and I am speaking more or less from an agricultural standpoint—lower tariffs. Let the manufacturer do as the farmer is doing; let him stand on his own feet. Secondly, agricultural credits, short term credits, are essential. The farmers want to have a chance to carry on, but they cannot do so if they are forced to sell their goods in competition with the world while at the same time they have to buy in markets restricted by tariffs to the extent of anywhere from 25 to 75 per cent. I am not looking for much higher prices for farm products; what I do look for is for the commodities which the farmer has to buy to come down and more or less meet the price which he receives for his products. That is what we want in western Canada.

If the government do not change their policies or if they do not go to the country very soon, the agricultural industry may be badly hampered. When they do go before the people, let me say once again to those hon. members who are so anxious about my political name, that they are not going to be asked whether Beaubien is a Liberal, Progressive or anything else; but they will be asked this: Did you support a government that imposed a duty on agricultural implements, on cream separators, on practically every commodity that the farmer has to buy? When they are asked that question, what answer will they give? They will simply say that they supported the policy of the government, which was detrimental to western Canada.

Those matters which I have placed before the house are dear to my people; they are necessary to them and I hope the government will pay heed to what I have said and endeavour to introduce legislation in conformity with the suggestions I have made. If they do so, I am sure the people of western Canada and particularly those whom I represent will be greatly benefited.

Mr. E. C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, my first words will be of congratulations to the hon. members who moved and seconded the address in reply to the speech from the throne. They accomplished their task with a loyalty and sincerity which has always been the practice and will continue so, as long as the Dominion parliament intends to follow such a parliamentary procedure.

The speech from the throne places on the lips of the representative of His Majesty the following words:

Such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future.

These utterances, sir, do not convey exactly the truth. It is a fact, as the hon. member for Terrebonne (Mr. Parent) stated this afternoon that some trade improvement has been somewhat felt; however, like him, I state that this improvement in our business relations with the various dominions and the United Kingdom must not be attributed so much to the imperial agreements as to the temporary advantages derived from exchanges. An increase of work among the labouring classes! I wonder where one sees this improvement. As a member of a large working division in the city of Montreal, in vain do I seek where this increase exists. The unemployed in the section where I reside, are more numerous than ever; notwithstanding the great publicity given recently to a news item, emanating, I do not know where, to the effect that our large Canadian Pacific workshops were to employ 3,000 men more. After making inquiries among those interested, I wish to state in the house that workers in the Angus shops confessed to me that the staff had hardly been increased by 400 men. Indeed, if one considers that this is a large increase among the working classes, I must state that this government bases its contentions on erroneous figures.

In these days of crisis, sir, I think the government and members should be the first to practise economy. I note that since the beginning of the session—I blame no one, because it is a member's privilege to place on the order paper, the resolution which he wishes to introduce—it has been costly and we have lost precious time in discussing many suggestions as old as the hills, resolutions which for a number of years have been submitted to international labour congresses at Geneva, and that the international labour bureau have considered without coming to any practical decision.

What will be the remedies? The insurance against unemployment, so much advocated by our friends to the left, has been discussed time and again, at Geneva; the delegates of the various nations have morally approved of this rehabilitation scheme, but no government, may I state, has ever put into practice such a suggestion without first exacting a contribution from those interested. The same may be said of old age pensions, insurance against disability and sickness. These are projects that all admit in principle. Were I a millionaire there would be no orphans in my electoral division; however, unfortunately for myself and many others, my circumstances do not permit me to be so generous towards all these charitable movements and social relief schemes. These are great economic and social problems which we are unable to solve to-day owing to the depression existing.

The question of working hours comes under the same heading. It has not been definitely settled in this country; however, I must state, to the credit of the Quebec provincial government, that the first steps to solve this question have been made by the hon. Minister of Labour, Mr. Arcand. A measure has been introduced dealing with the subject. This question of defining the hours of labour was discussed, last year, at the International Labour Conference and what was the outcome? The representatives of the various nations thought fit to submit again this question to the conference which will be held in the course of 1934. Did high protection succeed in bringing to our workers this relief to which they were so much entitled? Will the public undertakings mentioned bring to our workers, our destitute unemployed, this relief, this positive help which they have a right to expect? Indeed, sir, these are remedies which we must accept, they are temporary solutions of the unemployment problem; however, they are not, so to speak, the true solution to such an important question.

There was born in this country, a short while ago, a party which boasts of being able to settle all these important questions to which the nations of the world have sought in vain, hitherto, to find a practical solution. I came across, to-day, an old pamphlet which I purchased as far back as 1901, an essay on the evolution of socialistic theories in the various countries. May I, sir, read to the house, an excerpt on social reformers known as "possibilists." After listening to it, you will realize that its program very much resembles that of the C.C.F.:

The "Possibilists" or Reformists—They comprise the most moderate and practical element of the party, but the least listened to. The strict adherents somewhat despise them and qualify very disrespectfully their acts of "soothing syrup and hubbubboos." The "Possibilists" disdain violent means unless they are absolutely necessary. They prefer moving forward gradually, without agitation, revolution and shock, making use of simple legal means, they are convinced that it is possible to thus reach their goal. They contend that the labouring classes being in majority and controlling the vote can assume power and legally reform society without having recourse to revolutionary means which cause so many victims, is always tainted with much injustice, and is always followed by a great transient crisis and a period of general distress during

which every one suffers, and which, because of the discouragement and fears it creates, paves the way to disorders. Their motto is "Let us be revolutionists when circumstances demand it, but let us always be reformists."

It is the most human method, the surest, the best from every angle.

In order to inform a number of our workers who sometimes are led by certain impulses, and misguided agitation, may I place in Hansard the views of Count de Mun, one of the greatest leaders of workmen that France has known. He expressed himself as follows in the French chamber:

> You discuss before the people the entrancing prospect of a collectivist society of which no one of you can explain the functions. No, I state, "None of you," no more Mr. Jaurès than Mr. Jules Guesde, none! I have heard splendid speeches, glowing accounts, broad formulas, but I have never found any one to explain the following two fundamental points: the distribution and remuneration of labour; and as long as this has not been done, nothing practical will come of it except the idea of a monstrous despotism.

The following is a brief comment made by His Holiness Leo XIII, the workmen's Pope, in discussing similar doctrines:

> If such a system was ever realized, it would create disturbance among all classes of society and burden all citizens with a shameful and unbearable yoke; it opens a wide door to mutual jealously, discontent, and disorder; it deprives work and skill of their goal, draining wealth at its source; finally to equality so cherished it substitutes an ignoble equality in destitution and distress.

I leave, sir, to the Canadian workers who suffer from the present crisis, the task of judging where is to be found the truth and to choose the best means to obtain justice. We have heard of industrial control. I have closely followed, since the National Recovery Act was adopted, what is taking place in the United States. No doubt President Roosevelt for some time past has made strenuous efforts to find a general solution which can apply to the problems which interest his country and which, so to speak, interest all the nations of the world.

Over there, as it is the case here, the president cannot please every one. The labouring classes in the United States have requested him to increase the price of articles of prime necessity; he did so; however, some labour organizations claimed that wages, fixed according to definite schedules, were not increasing in direct ratio of the articles mentioned. There again are to be found impediments to the realization of certain hopes.

Another scheme to relieve unemployment in our large cities is the back-to-the-land movement. Colonization has certainly its bright side; however, if this were the only means of relieving the crisis in our cities, the situation would be desperate. That is again, some remedy.

In the course of the Yamaska election—and it is a happy recollection that I have of this election campaign—I chatted about this scheme with a number of farmers. Their reply was: Well, sir, for heaven's sake do insist that the moneys set aside for colonization purposes be placed in a special fund, so as to bring back to our villages our old farmers who understand all about farming, they that abandoned the land, not because they disliked it, but because financial difficulties forced them to do so.

Among the suggested remedies is to be found quite a recent one, the one which the right hon. Prime Minister advocated the night before last, I think, in the city of Toronto. He stated that we would pull through the crisis if we practised thrift and worked. I share his views; however, let us be frank, let us examine whether all those who have practised thrift and worked have reached this millennium which the right hon. Prime Minister wished on his audience in Toronto. We have in our large cities—the hon. member for Labelle (Mr. Bourassa) referred to it the other day—the unemployment question complicated by the one still more acute, of the distress to be found among small property holders. During that period when so much money was expended in dole, this man who was thrifty, this citizen who often is a workman, is faced, notwithstanding the moratorium enacted by our provincial legislatures, with ruin. The state, one must admit, hardly considered the one who is, so to speak, the buffer between the wealthy profiteer and those who take refuge in communism. This man was left to his own resources; no one thought of helping him in the present crisis. How can we preach, later, thrift and work to the children of those who soon will be completely destitute after having practised thrift all their life; to the families of those who have become poorer to create wealth, and have contributed more than certain financial magnates to the prosperity of this country?

President Roosevelt pondered more than our legislators over the situation of these unfortunate people. From the very first days of the organization of the Reconstruction Finance Corporation, the President of the United States had the sum of $2,000,000,000 voted, issuing bonds, the capital and interests of which are guaranteed by the United States federal government. Oh! one may state that

this government—if we must adhere to the articles of the confederation agreement—must come to terms in this respect with the provinces. One may state that the government cannot interfere because the contracts agreed upon between the creditors who hold the mortgages and the mortgagees are within the purview of the civil courts of the various provinces. Similar conditions exist in the United States. Those who have studied the United States constitution know with what jealousy the state rights are guarded, in the United States. Roosevelt did not hesitate before this obstacle. He came to an agreement with the various state governments. The latter hold themselves responsible for the capital represented by these bonds, guarantee the interest, being protected by the clause that the federal government will come to their rescue, if ever circumstances require it.

Such protection could be given to the rights of these small property holders who, in our large cities represent the majority, I shall not say as to the value but number of real estate holders. I fear, sir, if this assistance is denied to them by both dominion and provincial governments, we shall soon have in our large cities a real estate trust. This is most alarming and I regret that I have to reveal to the house the views expressed by a foremost banker to a friend of mine, a member of a city council. This is how certain large business men appreciate the sacrifices, the work and economy to which the right hon. Prime Minister alluded the night before last in Toronto. Oh! the banker said, to this councillor, these small property holders have all our sympathy, however, in a crisis like the one we are undergoing, we must put up with the consequences of this economic disturbance. These properties, he said, will be acquired by other real estate owners. The situation will become normal. The credit of our cities will be guaranteed and every one will end by being happy." Frankly, sir, this banker could not have been raised in the ridings we represent, because he would have more respect for those who deposited their money in our banking institutions.

It may be contended, perhaps, under present circumstances that small property holders must put up with the crisis just like those who have had reverses on the stock exchange or elsewhere. Here again, we must lay down the economic "distinguo." The small property holder who has placed his savings in real estate is not a speculator in the true sense of the word. He invested his savings in a property which he intended to set aside as a legacy to his family. His investment was not made in the hope of reaping a rainbow or confiding his future to the tail of a financial comet, but he economized so that not only his family but also the state would benefit by it, because such an investment would increase our national asset.

The hon. member for Provencher (Mr. Beaubien) approved a short while ago, in principle at least, the resolution introduced the other day by the right hon. Prime Minister, purporting to have a special committee appointed to investigate the spread existing between the cost of manufactured products and their distribution to consumers. The member for Hochelaga, sir, approves in principle this investigation; he however recalls a blue book published by the House of Commons, which he read in connection with the inquiry held in 1919 as regards the cost of living. In the course of this investigation, the directors of certain large industries, questioned by the hon. minister of Trade and Commerce (Mr. Stevens) and Mr. Pringle, etc., confessed having made large profits, shameful profits. I wonder, sir, whether, notwithstanding these direct proofs, these same industries lowered the sale price of their goods. Nothing was done, sir. We trust, however, that the next investigation will have more positive results and that a practical penalty will be meted out to the guilty ones, if any. I shall not refer to a recent investigation, the outcome of which is at present "sub judice."

There seems to exist some fear in the house to express views which might be construed as bold and revolutionary. I can only think of one way to balance all the budgets of our dominion, provincial and municipal governments that of lowering the rate of interest on liabilities. There are not only the small consumers, those deprived of wealth or the middle classes who are called upon to make sacrifices in a period of crisis. Whether the views which I shall express may displease some, I must nevertheless submit them to the consideration of the house. In so doing, I find myself in good company, as a number of eminent economists—although I have not the faith of a peasant of Britanny in all economic theses—numerous business men throughout the world have expressed their views.

Some speeches delivered in the house display a lack of social psychology. I am amazed to hear a number of members forecast an approaching revolution in this country, where people are truly christians. Have the un-

employed in Canada manifested heretofore, any signs of wishing to destroy society? A few seditious speeches have been made by certain foreign elements which immigration has brought to our shores. Our unemployed expect but one thing from our legislators: the enacting of economic measures devoid of nationalism destroyers and tending, thanks to international cooperation, to bring back prosperity.

It is urgent, sir, to display statesmanship at times.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. ST-PERE (Translation): I shall read in this respect an excerpt from a pamphlet published by the Rev. Father Alexandre Dugré, of the Society of Jesus:

No state can too much rely on its strength, or, especially, look upon as vigorous what is really a premonition of decline and ruin: such as the power of money. The concentration of wealth in the hands of a few unscrupulous directors or promoters deprived of social sense, who work in lobbies of parliaments—

Some hon. MEMBERS (Translation): Hear, hear.

Mr. ST-PERE (Translation):

—and together with a controlled press in order to have measures enacted and obtain favours benefiting a group of financiers, to the detriment of the great majority of poor people, that is no more democracy or aristocracy, it is, in truth, plutocracy, the tyranny of Mammon, crowned avarice, economic dictatorship and "l'usura vorax," stigmatized by Pius XI and Leo XIII.

It behooves all legislators to examine their conscience.

What will be the outcome of the present crisis? Together with their colleagues opposite the Liberals hope that it may end as soon as possible. What will be its effect? It has been noxious, heretofore, let us hope that it will be, in the future beneficial, I shall explain myself: The present crisis has forced us to confess our sins of commission and omission.

Mr. BARRETTE (Translation): That is so!

Mr. ST-PERE (Translation): We have been somewhat too proud and unforeseeing; state ownernship in certain provinces, extravagant expenditures in others and the little thought we gave to future, has brought on hardships of which we now feel the aftermath.

Let us be wiser in the future. The important conferences held here and there emphasize this indifference on the part of all

[Mr. St-Père.]

nations. What strikes one is that in all these quarters where much discussion take place, where little legislation is enacted, where, however, all human ills are recognized, where the causes of the depression are analyzed, where one especially notes that the nationalism of states, high protection, lack of stability of currency, etc., are the causes of the distress we are suffering—these great conferences always end without results and put off the important discussions to relieve the present ills. When shall we return to our senses?

Mr. SPEAKER (Text): The hon. member has spoken for forty minutes.

Mr. ST-PERE (Text): Mr. Speaker, I have only a few words to add. (Translation): The government's duty is clear. The right hon. Prime Minister quoted, recently, these words of Talleyrand, the great French statesman: "that it was praiseworthy for a public man to become unpopular through the enactment of certain measures which he advocated." Let the right hon. Prime Minister also recall this other statement of Talleyrand: "In my opinion, the true interest of France can never be opposed to those of Europe." Let the right hon. Prime Minister, so as to arrive at some solution of our great problems, be the first to set the example. Let him recall the words of Tilley: "That a word from Canada might have great weight in solving the economic questions which are world wide." Let the Prime Minister of Canada, although an adherent of "Canada First" recall that the true interests of Canada should never be opposed to the true interests of the whole world. This being the case, we shall have moved a step towards the great solution; we shall have set to the world an example of disinterestedness and manifested our good will to definitely settle these problems, the unsettledness of which really hinders the recovery of world prosperity.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I am sorry that owing to my inability to understand the French language. I cannot discuss any of the points raised by the last speaker (Mr. St-Pere) in the debate. My remarks this evening however arise from my sense of duty to bring before this house some of the points which have not been raised during the present debate, place before hon. members the points of view of some of the industrial workers in Canada, and to describe the conditions existing in Canada's largest industrial city.

I listened intently to the remarks of the Prime Minister (Mr. Bennett) concerning the

growth in trade and the increase in employment in agriculture and other primary industries. While I do not wish to be considered a fatalist or one who would paint a gloomy picture when conditions do not warrant it, I must state frankly that so far as my constituency is concerned the enormous expansion in employment and development in trade described by the Prime Minister is certainly not in evidence. I have before me a statement over the signature of Mayor Wilton of the city of Hamilton, presented at the last meeting of the city council in that city, which, at least by implication, indicates the increase in the relief burden within the last two weeks. For the week ending January 13, 1934, there were 7,225 families on relief, whereas in the previous two weeks there were only 6,813, showing an increase of slightly over 400 families. If we figure that out on the basis of five to a family I believe it would be fair to state that 35,000 men, women and children are being fed through the efforts of the various organizations in that great industrial city. On top of this must be put the 450 heads of families who throughout the building and construction program of the provincial government were taken off relief because of their ability to sustain themselves.

I should like to set out clearly the position in which the industrial centres of Ontario find themselves at the moment in connection with this very important problem. They are at their wits' end to know how to meet the situation. A resolution was brought before the city council of my community at its last meeting asking that the whole burden of relief be taken off the backs of the cities of Ontario because of their inability, in their opinion, in the near future to meet the enormous burdens brought about by the tremendous unemployment situation confronting them. In the city of Hamilton at the moment we are spending more on relief than on all other city activities combined, with the exception of education. That will give the house some indication of the very real problem that is facing those charged with the responsibility of taking care of those who, through no fault of their own, find themselves unable to earn a livelihood.

During the past week we have heard a lot about governments and policies in other countries, and we have been told that the people of this dominion are not interested in some of the policies that have been set in motion in these other countries. But, Mr. Speaker, I think it is fair for me to say that inactivity on the part of a government appeals to the people of this dominion much less. Certainly no responsibility can be placed on the working people of this dominion for the present depression. They are the innocent and unfortunate victims of its consequences. Many jokes have been made about the consequences of this depression. We hear quips over the radio about the fortunes lost in the stock market on October 29, 1929, and thereafter. I am frank to admit that it is permissible to treat such things with levity, but I would like to impress upon the house that what the working classes of this country have lost has been the product of their sweat and toil, the product of the money which they have saved in an effort to keep a shelter over their heads and to meet the normal obligations of family life and educate their children

Mention has been made of soap box orators in this country. I would point out that the present Prime Minister of Great Britain received his early education in public speaking on a soap box. Viscount Snowden also received his early training in public speaking on a soap box, and I might add that in his early political life in this country the grandfather of the present leader of the opposition (Mr. Mackenzie King) spoke from what might be termed a soap box. It would be well if some of the people who criticize soap box orators went out and did a little soap boxing themselves, and then they would come into close contact with the people who make up the life of this dominion and would be able to get their reactions to the conditions now prevailing in this country.

I think, Mr. Speaker, that the working people have a right to ask the defenders of the present system why they are losing their homes through no fault of their own, and why their children whom by their toil they have provided with an education are unable to find employment, and why men, women and children in this country are receiving the very minimum of food with which to sustain life. Why should they go short of raiment when the factories remain idle, and at a time when people are desperate and are eager to go to work? Those are questions that must be answered, and answered, I believe, very shortly.

The speech from the throne mentions that there has been another federal-provincial conference—a conference veiled in secrecy. I think it is fair to say that the people of this dominion know very little of the outcome of the policies that were placed before that conference by the representatives of the respective governments. We have been told that some of

the policies which that conference would have liked to set in motion could not be carried out because of the British North America Act. The people of this dominion have a right to know who and which governments were responsible for such disagreement, so that in the provinces we can go out and meet these provincial governments and endeavour to create the necessary public opinion which is the driving force under which our democratic institutions function, so that these policies which many people think are practical may be put into effect, instead of being discarded because they are not in conformity with the British North America Act. I would like to have known the exact positions that were taken at that conference, the nature of the discussions, and the objections that were made, for instance, to a reduction in interest rates. That is a problem which in my judgment has to be faced, and it is being faced to-day by every forward-looking government in the civilized world. Only in to-night's paper hon. gentlemen may have read that it is being faced in a resolute way by the government to the south of us.

The problem of the financial obligations of the four western provinces is also one that I believe must be faced in a resolute way. I do not think that this federal government can go on indefinitely paying the normal running expenses of the governments of those four western provinces. A policy on that question might easily have been evolved at the federal-provincial conference looking towards action similar to that which was taken in Australia, where they had a so-called premier's conference attended by the representatives of the federal government and of the various states, and where a policy to meet the depression in that country was formulated—a reduction in the internal interest rate by twenty-two and a fraction per cent.

I was in England this year and I believe that the pick-up in business there, particularly in the building trade, has been largely brought about through their conversion loans and the reduction in interest rates. Money is now moving into productive channels in which it was not moving so long as the enormous rates of interest prevailed that arose out of the great war.

I was very much interested in the remarks of the hon. member for Stanstead (Mr. Hackett), who advocated a back-to-the-land policy. There is nothing new in that, and I should like to know what is the view of the government in that respect, having regard to their policy for a restricted production of wheat. Frankly I believe that the wheat agreement is bound to fail. I do not think that governments have reached the stage where they can control the elements, and on that ground alone I do not think that any contraction or expansion of production can be satisfactorily foretold in a practical way. In my opinion the problem involved in the wheat agreement is similar to that faced to-day by the industrial structure of this country. It is nothing less than tragedy, when people are able to obtain only the barest necessities of life, that the government should set in motion a policy which will contract the production of the foodstuffs which the people should be receiving.

Prior to the recent federal-provincial conference there was much ballyhoo in the newspapers in connection with the possible institution of an unemployment insurance plan in this country. We were given to believe—this is not the first time—that the plan was ready and would be submitted at this session of parliament. Frankly, I see no reason why such a policy could not be carried out. It has the support of both major political parties in this house; it has the support, I understand, of most of the provincial governments, and I think it will be supported by public opinion from one end of this country to the other. Notwithstanding the apparent disagreement, I still think the suggestion I made last year is a sound one and should be carried out. A commission should be instituted immediately by the federal government to go into every phase of this scheme. It is said that the present is not the time for the institution of such a policy, but I do regard that as a sound argument. Such a policy should be carried out even if it is necessary to start in a small way.

When I was in Great Britain this year I was amazed at the changes which had taken place since I left there as a boy. There is one factor in connection with such a scheme which is not recognized by the business interests in this dominion. In England to-day there are millions of pounds in circulation which normally would be in the banks and strong boxes if it were not for the driving force of the social insurances. Such a scheme increases the speed of the circulation of currency. The men in England are receiving their insurance payments by right. There is no loss of dignity, because it is something for which they have paid. In my judgment that is a far better method than the undignified manner in which we are handling the unemployment situation in this country. Here we have a loss of pride and, as I have said

before, pride is necessary in the development of any country. The federal government should give serious consideration to this aspect of the problem.

I have seen a number of resolutions in connection with the St. Lawrence deep waterway. My own city council has asked me to support any measure which will bring about the early starting of this great enterprise. In my judgment, this waterway will quicken the life of the whole of eastern Canada and extraordinary benefits will accrue to the people of western Canada. If I remember rightly, the matter was mentioned last year in the speech from the throne. The Prime Minister (Mr. Bennett) has referred to it in a sympathetic way, and I urge the government to maintain that sympathetic interest in this project. Should the treaty be ratified by the United States government, this government should take every step to bring about the commencement of this great enterprise which would add two thousand miles to the coastline of Canada. I believe the project is sound economically and in every other way.

I am glad to know that the government have at last decided upon a building program. This is one of the reasons why I am speaking this evening. One of the greatest tragedies of the depression is the suffering of the building tradesmen. In the city from which I come, at the present moment ninety-five per cent of those employed in the building trades are out of work. Such a condition is a challenge to our intelligence. Thousands of highly skilled men are ready and eager to go to work and put their hands to the task of building necessary public institutions. They are ready to take up the task of building better homes, and God knows they are necessary in certain centres. Before a policy is laid down in connection with this matter, I should like to leave this thought with the government. They should try and avoid the error which was made by the government of Ontario, which inaugurated a scheme and stated that only those on relief should be employed. Such a stipulation is absolutely unfair, because thousands of men who had been employed in the building industry have not gone on relief, notwithstanding the fact that they have been out of work for some time. When this scheme is set in motion some consideration should be given by the federal and provincial governments to these men. The hours of labour should be such as to permit the employment of the greatest number of men possible, and the fair wages clause should be insisted upon and incorporated in every contract awarded by the government.

I do not think that this building program should be financed by the borrowing of new money. We should avail ourselves of our own credit. This could be done by means of non-interest bearing certificates, subject to recall in such stages as may be laid down. I do not think we should pay tribute to money when we find it necessary to put these men to work One of the things we had better learn quickly is that human life should take precedence over mere money; we must realize that whether we like it or not. I believe that is going to be one of the principles which will be established before we are out of this depression.

It is unfortunate that suffering has always been the midwife of progress. People do not seem to bother about thinking when everything is going smoothly. All great reforms and great changes have come out of the hours of travail when nations have been hard pressed This has always been the case in every forward movement where old ideas have been divorced for the taking on of new.

In conclusion I will say a word or two in connection with the proposed central bank. I shall be frank and admit that what I say reflects the viewpoint of the Trades and Labour Congress of Canada. We believe that our banking and credit structure should be nationalized, because it will control the destiny of this country and decide whether a man shall go to work or be out of employment. The potentialities for good and evil are so great in such an institution that only those who are responsible to the people themselves should be charged with the responsibility of its operation. I think it is fair to say that the banking and credit structure functions normally like a great public utility. It stands in the same relationship to the people of the country as the very water we drink, the very electricity we use, and those many other social services which, in our evolutionary development, we have decided from time to time are too important to be left in the hands of any private individual. The position taken by congress is sound, and when the government lays down its policy in connection with the central bank I think it should insist, in conformity with the great mass of public opinion in this dominion, that the bank shall be owned and controlled by the government of the country.

Mr. MARTIAL RHEAUME (St. John's-Iberville) (Translation): Mr. Speaker, I think it is quite proper to congratulate the hon. members who moved and seconded the address, in reply to the speech from the

throne, and I shall avail myself of this opportunity to comment on a few excerpts of the speech delivered by the hon. member for Compton (Mr. Gobeil). I find, at page 18 of Hansard, the following words:

—and the price of pork has more than doubled in the course of the last twelve months.

Had the hon. member for Compton gone back two years, he would have discovered that pork sold, in May, 1932, $6 per cwt. for carcass; in June, $7; in July, $6.50, $7, $7.50; in August, $7; in September, $6.50; in October, $8; in November, $6.25, and in December, $5.50; in January, 1933, $5.50; February, $5.50; in March, $5.50 and in the last week of March, $8; in April, $8.50; in May, $8.50; in June, $8.50; in August, $9; in September, $9; in November, $8; in the last days of November, $7.50; at the beginning of December, $8.50 to $9; in the last part of December, $9.50; at the beginning of January, 1934, $10 and at the end of January, $11 per cwt. If one compares the prices of January, 1934, with those of January, 1933, these prices have probably doubled. If the price has increased, it is because farmers have ceased raising hogs, and those who, within the last three years have raised them have sustained losses. If I remember well, at the last session, in February last, a discussion took place between two Ontario members in connection with the price of pork. The hon. member for Compton contends that, if the price of pork has doubled within the last twelve months, it is due to the Imperial Conference Agreements of 1932; however, if he consults the price list of the wholesale houses in Montreal, he will discover that there was a lapse of a year and a half before the prices went up. If they have somewhat increased, it has been within a year or so. The hon. member for Compton made another discovery. The following is his own words:

Immediately after the government assumed power, the hon. Minister of Agriculture (Mr. Weir), adopted the policy of indemnifying the owners of steers found to be tuberculous; this put an end to an injustice and was greatly appreciated by the farming community.

I took the pains to look up the records in the library this afternoon, and went as far back as the budget on agriculture for the year 1925-26. The hon. member for Compton can verify himself that there was an appropriation that year of $1,877,000 for the health of animals, while the total appropriation for agriculture amounted to $6,600,000; in 1927 there is an item of $1,900,000 for the health of animals; in 1927-28, $2,140,000; in 1928-29, $2,258,000; in 1929-30, $2,900,000; in 1930-31, in the first budget brought down by the hon. Minister of Agriculture in this government, we find an appropriation of $2,500,000, namely a decrease of $400,000 as compared with the previous year; in 1931-32, we find a decrease of $300,000; in 1932-33, a decrease of $896,000; and finally in 1933-34 a further decrease of $225,000; which means that for this item alone, the Department of Agriculture expends, to-day, 50 per cent less than the outlay made by the Liberals when in power in 1929-30. Yet the hon. member for Compton thinks he has made quite a discovery!

[Mr. Rhéaume.]

Mr. GOBEIL (Translation): That does not destroy my argument.

Mr. RHEAUME (Translation): Perhaps not; however it certainly does not strengthen it, since these figures prove that the Liberal government appropriated double the amount which the Conservatives now expend.

Mr. GOBEIL (Translation): My argument remains unaffected.

Mr. RHEAUME (Translation): One can always argue; the question is whether such arguments carry weight, that is what counts.

The hon. member for Compton further states in his speech that the contaminated cattle are shipped to Montreal, slaughtered and those thought fit for human consumption are sold. Probably that has the effect of somewhat lowering the prices of meat, I agree with him on this point. The following is what the hon. member suggests:

I would suggest that there be added to the indemnity paid to the farmer for his contaminated cattle, the price which he receives for the carcass of these animals and that the latter instead of finding their way to our markets, be used as fertilizers.

If the memory of the hon. member for Compton serves him right, he will recall that at the first session that I had the privilege of sitting in the house, in 1931, I placed on the order paper a motion tending to increase the indemnity paid to the farmer for contaminated cattle. I had personally observed, during the previous years, in 1927, 1928 and 1929, when the government inspectors submitted the cattle to the tuberculine test, in the county of St. John's and Iberville, that farmers did not receive the indemnity to which they were entitled. Milch cows, then, were worth between $100 and $125 and the maximum price paid in the county of St. John's-Iberville was $38. Some farmers only received $10, $15 or $20, the amount of the indemnity depended on the value of the contaminated cow. I thought it proper

to introduce this resolution because I had personally noticed the losses sustained by the farmers when the test was applied. I believed that this increase in indemnity was a fair and reasonable one, especially when we consider that this government had stated, in the 1930 election, that they intended to do their utmost to help agriculture. The hon. member for Brome-Missisquoi (Mr. Pickel), among others, was elected by carrying on his campaign from door to door, among the farmers of his county—he was well acquainted with his people because he had been defeated, I think, three or four times previous to the last election—promising them that, if elected, he would endeavour to have this indemnity increased. As I have some excellent friends in the county of Brome-Missisquoi, I wished to give the hon. member (Mr. Pickel) an opportunity to put this measure into practice. However, any speech favouring my resolution was made on this side of the house. To my amazement the hon. member for Brome-Missisquoi stated that the opportunity was not well chosen, that the financial situation of the country prohibited such an indemnity increase. Yet the opportunity was his to prove his generous nature and fulfil an election promise. The members of the government and himself had failed to carry out their pledges; my resolution gave them an opportunity, but they refused to take advantage of it. The hon. member for Compton did not think fit to support this resolution, although he represents a rural riding which, if I be not mistaken, is included in the restricted area. The hon. member for Compton was given an opportunity to rise and support the resolution. I recall that the hon. Minister of Justice (Mr. Guthrie) stated that the government could not accept a motion proposing an expenditure of public funds and moved by a member of the opposition.

When hon. members opposite hold meetings in their constituencies, they state that the Liberals impede legislation and have no suggestions to make to the government. On both sides of the house unnecessary talk goes on; however, some good results are achieved by the opposition as well as by the government. We are at present undergoing a crisis, I, therefore, think that the harder the times the more suggestions are needed. Some were made to the government by members of the opposition who sit on the front benches, by men who were at the helm of the country's affairs and have left their stamp, yet the government did not think fit to accept them because they came from the opposite camp. It may have happened, at times, that the right hon. Prime Minister has backed water, however, this has seldom happened. When he consults his ministers or some of his followers, suggestions are probably made to him, it then becomes apparent that the opposition's suggestions are excellent and that it is a necessary institution; they then back water. I think that if the right hon. Prime Minister had put into practice some of their suggestions, the country would be better off.

Mr. GOBEIL (Translation): Will the hon. member allow me to put a question? Is the hon. member aware that, under the Liberal regime, between 1921 and 1930, the indemnity paid for contaminated cattle was reduced?

Mr. RHEAUME (Translation): I accept the hon. member's word, however, I cannot be held responsible for errors the government may have committed, because I was not then a member. Had I been I would have taken my share of responsibility. If the government of that day blundered, we were ready to make amends in 1931, we were disposed to do better; however, the partisans of this government who had pledged themselves to bring up this question, among others, the hon. member for Brome-Missisquoi, forgot their promises and refused to help us.

The hon. member for Compton made special reference to butter. I think that if he sits in the house, it is partly due to the butter question. The hon. member contends that, under the Liberal regime, in 1929, butter sold for 39 cents per pound and 31 cents in 1930, while in New York it sold for 40 cents. I think that the price of butter in the United States does not concern us. I have not had the privilege of hearing the hon. member speak in his constituency; however, his friends in the counties of St. John-Iberville, Chambly-Vercheres, Laprairie-Napierville, Brome-Missisquoi, etc., were shocked to find that butter sold at 39 cents per pound in 1929; they were greatly discouraged and lamented over the fate of the poor farmer! I wonder what would have been their thoughts had butter sold 16 and 17 cents per pound as was the case under this government's regime.

Mr. CASGRAIN (Translation): People would have crucified them.

Mr. RHEAUME (Translation): I do not know whether they would have been crucified, however, tears would perhaps have caused their death.

Mr. CASGRAIN (Translation): Crocodile tears!

Mr. RHEAUME (Translation): Perhaps false tears, those of a politician. I recall that one day the hon. member for Compton, in an oratorical flight, stated that the farmer of Quebec should be thankful for the prices he obtained for his farm products. I think, I protested and told the hon. member for Compton that this was not quite the program on which he had been elected in 1930.

Mr. GOBEIL (Translation): Mr. Speaker, I rise to a point of order. It is the second time the hon. member misrepresents my statements. He was called to order last year, he nevertheless persists again and puts on my lips words which I never uttered and are not in Hansard.

Mr. RHEAUME (Translation): I accept the word of the hon. member for Compton. At all events, if he wishes to hold a meeting with free discussion, he can invite me to his county, we shall then be able to discuss his statement, Hansard in hand.

Mr. BARRETTE (Translation): One will be held.

Mr. GOBEIL (Translation): You are invited.

Mr. RHEAUME (Translation): I accept. The hon. member stated that, from 1921 to 1930, the United States increased their tariff on Canadian butter from 2 to 14 cents per pound, and, on cream, almost 50 cents per gallon. Notwithstanding these tariff barriers to prevent our products from entering their country, the farmers sold their butter more than double the price they obtain to-day. They then sold their butter at 39 cents per pound, yet our hon. friends were very despondent. The Conservatives always refer to the price of butter or of commodities in the United States. A fact that hon. members opposite cannot deny, is that the United States government and the president have prepared a program which will benefit the farmer.

Mr. LAFLECHE (Translation): The farmers are on strike.

Mr. RHEAUME (Translation): The estimates of Department of Agriculture which had always been on the increase from 1925 to 1930, were cut down this year nearly $1,000,000. Does this help the farming class, by cutting down the appropriations which were usually voted for agricultural purposes? It may, perhaps, be stated that the crisis is responsible for this; however, when the estimates are taken up by the house, I shall be able to show that certain estimates in some departments, have not decreased but have been maintained, because at the head of those departments are to be found competent men, who insist on their estimates not being cut down, while other departments have at their head men with no experience.

Now, sir, I wish to comment briefly on the speech of the hon. member for Brome Missisquoi: He begins by congratulating the government for having granted an investigation on milk. I intend to inquire how much this investigation cost the government I do not think that it cost as much as that held on coal, however, I think the result has been practically the same. The government did not condescend to place on the table of the house the report in connection with the inquiry held on coal. Fortunately, it was sent to the Quebec government which instituted proceedings against these companies, the latter were found to be guilty since the judge who heard the case condemned them to a fine. However, the law is rather construed to protect trusts; I hope however that means will be found to prevent these companies from dragging the case from one court to another, until it reaches the highest tribunal of the country, then transferring the case to the Privy Council; meanwhile continue to fleece the people, without paying their fine.

The following is an excerpt of the speech of the hon. member for Brome-Missisquoi:

> I presume that as regards any real benefit that has resulted so far, from that investigation, the report has probably been systematically pigeon-holed, and forgotten in conformity with the usual procedure with respect to the findings of commissions. The evidence brought out by that investigation conclusively disclosed that the producer was being unfairly dealt with and exploited by the distributor, and further revealed the fact that the present system was simply creating a few millionaires in the city and driving thousands of farmers into a state of penury.

I quite agree with the hon. member, however, I state that....

Mr. BARRETTE (Translation): Why criticize him if you agree with his statement?

Mr. RHEAUME (Translation): If the hon. member for Berthier Maskinongé (Mr. Barrette) will be patient, I think I shall be able to state why I do not agree on all points with the hon. member for Brome-Missisquoi, for two years back, last year and this one—he showed somewhat that he was a free lance in his speeches. I congratulate him. However, when it was a question of voting, he did so as a partisan. Furthermore, the hon. member complains that farmers are obliged

to pay top prices for their material. I shall quote his words:

He has to buy wire, nails, roofing, cement, lumber and a long list of expensive agricultural implements and machinery, such as cream separators.

When the question came up of raising the duty by ten per cent on barbed wire, the hon. member for Brome Missisquoi did not hang behind, he voted, when it was a matter of raising the duty by twenty-five per cent on cream separators he did not lag behind, he voted.

Mr. CASGRAIN (Translation): He adheres to his party.

Mr. RHEAUME (Translation): It is of little import whether it is his party, he should not have criticized it, then voted with it. I think one should not find fault with someone then side with him.

Mr. LAFLECHE (Translation): Is the opposition in favour of placing these products on the free list?

Mr. RHEAUME (Translation): My reply to the hon. member for Richmond and Wolfe (Mr. Lafléche) is that I have not examined the question. At all events, I consider that the farmers pay already enough for cream separators and barbed wire, and that the duty should not be increased by ten per cent, in the first case, and twenty-five per cent in the other, in order to help certain friends of the party.

He states that it is entirely useless to request help from those in authority. I do not know whether this is really true.

The following is an excerpt of the evidence given when the investigation was held on milk and dairy products by the committee on agriculture and colonization. The manager of the Laiterie Saint Laurent is the person who replies:

Q. The St. Lawrence Dairy charge 5 cents per gallon which covers the entire operation?
A. We charge 5 cents per gallon for the entire dairy operation.
Q. You charge this to purchase milk, pasteurize—
A. To purchase milk, pasteurize and resell it to our milkmen.

After comparing this with the evidence given by other dairy managers, I concluded that some were perjuring themselves. I began to peruse this famous report which contains 900 pages, and I wish to state, sir, that if these witnesses had appeared before a court of justice, they would have been arrested and condemned for perjury. I am informed that an hon. member on the committee requested the chairman to dismiss this witness, stating that his evidence was in contradiction with the reports he had made, and giving as a reason that he was too old to give evidence.

Mr. LAFLECHE (Translation): Will the hon. member allow me to ask him a question?

Mr. RHEAUME (Translation): With pleasure.

Mr. LAFLECHE (Translation): What are the names of those who perjured themselves at that inquiry?

Mr. RHEAUME (Translation): I have no details in this matter; however, if the hon. member will do as I did, I shall indicate to him the pages where this evidence is to be found and he can judge for himself.

The following is another excerpt taken from the evidence given at this inquiry:

Q. Mr. Chairman, I fail to see why the committee should be obliged to go over this evidence again. We do not seem to be making progress, and the statement and answers of the witness are not satisfactory. There is not one page of the evidence we have heard within the last two hours that is free from contradiction. We shall reach no result if we do not hear the evidence of someone who has some knowledge of the financial organization of this company.

When a poor devil dares to steal a bottle of milk, in Montreal or elsewhere, he is condemned to pass eight days in jail; however, according to the evidence given by a former dairy manager, we find managers who, in one month alone, robbed farmers for more than $1,300 worth of milk. Yet the government which disbursed thousands of dollars to hold this investigation does not bestir itself. In the findings of the committee, at page 10 we find: "Depreciation, bad debts, overheads, profits and dividends, merger, purchase or absorption of other companies or enterprises, the profit of the producer on the consumer's dollar," everything is mentioned. This reminds me of a sick person who would call for a doctor, then the latter, after examining the patient would thus address him: Sir, you are very sick, you have numerous ailments, and claiming a $25 fee, would put on his hat and walk out.

If it is thought necessary to hold an investigation, to disburse thousands of dollars of public money, let them have at least the courage to remedy the evil. We have written evidence that some witnesses perjured themselves; let the government act against them. Former dairy managers have given evidence that farmers were robbed of milk. From every quarter comes the cry: "We must help the farming class." If the government are in earnest, let them begin by having those who rob the farmers arrested.

Referring to that witness that was thought too old to give evidence; it did not prevent him from drawing a salary of $10,000 as president of the company; his two sons were drawing $5,000, while the upkeep of their motor cars was charged to the company. Notwithstanding all this, the companies contend that their profits are too small to pay a reasonable price to the farmers for their milk. If I follow the evidence—and it is written in excellent French—this company is so incorporated that it is the members of one family alone who control the funds supplied by outsiders.

It was proved that the president of another company draws a salary of $13,500 per year, the vice-president $13,500 and the secretary $8,000.

Mr. MERCIER (St. Henri) (Translation): Were their salaries cut down 10 per cent?

Mr. RHEAUME (Translation): I do not think so. Together, the three draw $35,000; the income tax amounted to $18,500, and the net profits to $155,000. The profits accumulated by skimming the farmer and naturally these companies are allowed to skim the consumer.

An hon. MEMBER (Translation): What about the milk?

Mr. RHEAUME (Translation): There is no lack of milk. I was not, sir, a member of this committee. When I was informed that the report had been published, I communicated with the clerk of the house who was courteous enough to forward me a copy; I have begun to read it, it is very interesting.

In the speech delivered on February 1, by the hon. member for Brome-Missisquoi, I find the following:

> The milk commission of the province of Quebec could have rendered valuable service had they been so inclined. I noticed in the press during the latter part of the summer and in the fall several reports of the activities of the hon. Mr. Godbout, Minister of Agriculture for Quebec. He made this statement on several occasions, but in one speech in particular, delivered in the county of Jacques Cartier just prior to the last election, speaking among other things of his paralyzed and incompetent milk commission, he said that at the next session of the legislature legislation would be introduced to deal with the milk situation.

The hon. member for Brome-Missisquoi seems to resent others making promises. It is true that we are often wrong in judging others by ourselves. I must inform the hon. member for Brome-Missisquoi that the hon. Minister of Agriculture of Quebec performs his duty. I had the privilege of making his acquaintance and seeing him at work. If the hon. member for Brome-Missisquoi will take the trouble of inquiring, he will find that the hon. Minister of Agriculture introduced a bill in the Quebec Legislature purporting to control dairies and curb the profiteers on the Montreal island. I note that the dairy people who contend to be out of pocket have retained legal lights in their defence. The provincial Minister of Agriculture is not a colossus but he is fearless and I can assure the hon. member for Brome-Missisquoi that when the former makes a promise he carries it out. The hon. member will have an opportunity of following the debate in the press and he will find out that if there is a Minister of Agriculture who seeks to do his duty, I have no hesitation in saying so, it is the hon. Minister of Agriculture of Quebec.

In another part of his speech, the hon. member for Brome-Missisquoi states that a number of farmers in his constituency were returned more than their share of skimmed milk. I quite believe him because the surplus of milk obtained by dairies is easy to understand, according to the evidence given by certain witnesses at the investigation on milk. I cannot define what might be considered larceny. I am not here to do so. For instance, when a manager asks an employee to call at his office and says to him: Baptiste forwarded 10,000 pounds of milk; let 4,500 pounds be designated as surplus milk; Antoine forwarded 10,000 pounds, let 1,500 pounds be surplus milk, etc., I cannot say whether this can be considered as larceny or embezzlement, however, I know that the same witness states that, in the space of one month this Montreal dairy stole more than $1,300 from the farmers.

Mr. BARIBEAU (Translation): Is this company registered?

Mr. RHEAUME (Translation): I have no information in this respect; however, if the hon. member wishes to find out as I did, let him look up the voluminous report, the reading of which requires much patience. Moreover, if my hon. friend wishes to call at my office, I shall indicate to him the pages, he will then be in a position to verify for himself the truth of my statement.

Mr. GOBEIL (Translation): Have you any knowledge whether they complained?

Mr. RHEAUME (Translation): I am unaware whether they did or not. It matters little. I state that these people are profiteers or cream skimmers and that the country should have recommended—

Mr. GOBEIL (Translation): Who administers justice?

Mr. RHEAUME (Translation): May I say to the hon. member for Compton that I think the government has such authority, but not the Quebec government. It strikes me that when a government orders an investigation and uses public funds in so doing, it should implement the findings of the committee. If it blunders at first, it should not again do so. As to the question of coal, I am informed that there were political friends who had to be protected.

I am aware, for instance, that our poor Quebec and Ontario farmers were fleeced by the United States citizens. I do not think we should countenance these profiteers or skimmers, these people who increase the price by 40 cents per hundredweight to the consumer, and who pocket 25 cents, allowing only 15 cents of an increase to the producer, stating: We must increase the price of milk to cover our losses. We should, first, do away with these profiteers and cut down the salaries, especially in the case of a president who's salary is $10,000 per year and to whom a member of the committee had put a question which the Chairman found rather personal because it entered too much into details. It had no significance as all understood, because his answers were somewhat naive. When profiteers like the one mentioned come before a committee and we have a duty to perform they should not be spared more than others.

Mr. MERCIER (St. Henri) (Translation): Is it not a fact that the price of milk was increased one cent per quart, in Montreal?

Mr. RHEAUME (Translation): Yes, it was increased. The producer received 15 cents more per hundredweight and the dairy pocketed 25 cents.

We must conclude, sir, that if the government intends to really help the farming and working classes, it cannot too soon do so.

It is rumoured that an election will, perhaps, take place in 1934 or 1935. I do not think hon. members opposite are yet ready to face their constituents. However, I am ready; I visited my constituents on three occasions and my friends opposite may inform the right hon. Prime Minister that I am quite ready.

Mr. GOBEIL (Translation): Is the hon. member certain that his constituents are in earnest?

Mr. RHEAUME (Translation): Quite so! I received a letter from one of them and he inquires whether I would be so kind as to inform him if, in my opinion, an election will take place because they are anxious to turn this government out of office; and this letter is signed: "A good conservative."

Mr. LAFLECHE (Translation): What is the name of this person?

Mr. RHEAUME (Translation): I cannot divulge his name to the house; however, if my hon. friend will come up to my office, I shall show him the letter.

In closing my remarks, sir, I request the government to act, especially, to implement the statement of the right hon. Prime Minister, that he was ready to make an outlay of $50,000,000 to help the unemployed of this country. If the Prime Minister has any scheme which might solve the unemployment problem, he can depend on our cooperation, for if we refer to the speech of the right hon. leader of the opposition (Mr. Mackenzie King) we find that he states he is always ready to give his support to the government when it is a question of disbursing millions to relieve the present crisis.

Gentlemen you have the floor! We await your action!

Mr. ROBERT McKENZIE (Assiniboia): Mr. Speaker, at every session of parliament the debate on the address is considered from the private member's standpoint as an occasion for us to put forward any matters of particular importance to our constituencies. It is not my intention at this time to be too parochial in my remarks, but in view of one clause in the speech from the throne, which reads—

> My government propose further to promote employment by expenditures on essential public works and undertakings throughout the dominion.

—I realize that full recovery from the depression through which we are passing cannot come so long as there are so many men out of employment. But the question naturally arises whether it is a good thing for the country to go further into debt at this time, particularly for a large building program. The government decided about two years ago that relief by way of public works was too expensive, and that they would try other means. Other means have been tried, and I believe the people of the country to-day are persuaded that almost anything is preferable to the present form of relief. So I think it might be a good thing for the government to consider certain undertakings but not undertakings that will involve an annual expenditure for upkeep

I want to refer to a project with which the government, or at any rate some members of it, are familiar, in the constituency from which I come, namely the building of a dam across the Souris river just west of the town of Estevan. The cost of this work as estimated by engineers who have examined the matter would be about $125,000. The idea of the dam is to provide water for industrial development at this point. The town of Estevan has coal available in large quantities, and is an ideal location for industries if there were a proper water supply. My information is that some industries have decided against locating there because of the lack of a sufficient water supply. The matter is also to some extent of international interest, because one of the objects of this dam would be to control the flood waters in the spring which sometimes cause trouble not only in Saskatchewan but also across the line in Dakota. There is also the feature of regulation of water supply for the town and district. The project has been endorsed by the municipal and town councils and other organized bodies throughout the district.

The dam would be built between two hills, the work consisting of scraping down two hills approximately 1,900 feet apart and building an earthen dam about 1,900 feet long and 20 feet high. One feature that should commend the project to the government is that the work could nearly all be done by day labour, and there would be very little expenditure for materials. I have no doubt that the farmers and the unemployed in that community would work on the project in payment for the relief which they have been afforded, thereby being able to pay their relief debt. Another desirable feature is that once the dam is built, there will be no annual expenditure for maintenance. I therefore commend this matter to the consideration of the government, should they go on with a program such as is mentioned in the speech from the throne.

There are other matters mentioned in the speech from the throne which I will not dwell upon, as they have been dealt with extensively by some of my colleagues, particularly the wheat agreement and the establishment of a central bank. But I may say there was throughout the country some anxiety as to what would be contained in the speech from the throne. People expected that something would be said with regard to the economic conference recently held in London, England. To that conference some sixty-six countries sent delegates. The problems of these sixty-six countries were in many respects identical. It was hoped by a great many people, particularly those engaged in production, the farmers of the west who have no market for their products, that something would be done at this conference to reopen the channels of trade which have been blocked during the last few years. Conditions among the farmers are very bad; in Saskatchewan I believe they are worse than they have ever been. That is why an announcement of what was done at that conference was anxiously awaited. We are very sorry that it proved so unsuccessful. It does not seem possible to do much through conferences with other countries; I believe that the consensus of opinion to-day is that we must try to solve our problems by action in our own country and so relieve the difficulties under which we are suffering.

It is not now and never has been my policy to accuse the government of anything of which they are not guilty. I will say that Canada in common with the rest of the world was bound to have in some degree a period of depression following the war and the uneconomic conduct of affairs that prevailed in all countries since the war. The Prime Minister in his address on January 30, quoted statistics in an endeavour to prove that there has been a considerable improvement in economic conditions in this country. Not only he but a number of his supporters have spoken along the same lines. They appear to be satisfied. But, Mr. Speaker, I will say that the Prime Minister and his supporters in this house are the only people that you will hear give expression to that opinion. If they are satisfied, they are the only people who are. I do not believe the people of the country, who are in such distress, will be satisfied when they read some of the speeches that have been made. We must have an improvement, and apparently it is not to come from this government, if they are so well satisfied with conditions as they are. I was rather encouraged when on October 11 last, I heard over the radio the Prime Minister address a meeting of the board of trade of the city of Winnipeg. Whether it was the environment in the city of Winnipeg, or some other reason, I cannot say, but one statement I heard the Prime Minister make then I have never heard him make since, either in this House of Commons or any other place, namely, that the tariff legislation passed by the present government is only a temporary measure. He gave us to understand that as times improved the tariff would be reduced. I wonder why, when he goes to Toronto and Montreal, he does not make that same statement. I have watched to find out whether he has said the same thing in any other place, and I find that he has not. Surely it must have been the

environment of the city of Winnipeg which was responsible for his statement. And again, in 1928 the environment of the city of Winnipeg must have been responsible for the fact that tariff protection and high tariffs were never mentioned at the Conservative convention held in that year.

In his address of last week the Prime Minister had something to say about a reciprocity agreement with the United States, and in connection therewith quoted some prices. He threw the question to members on this side of the house whether or not we wanted the farmers of western Canada to sell their products in the higher priced markets of this country. I, for one, have always believed that one of the worst blows which has befallen our western country was the defeat of reciprocity in 1911. I can assure the Prime Minister that if he will bring in a reasonable measure providing for reciprocal trade with the United States there will not be very much opposition from this side of the house. In his remarks he mentioned the prices of a number of commodities. I have now before me the prices of agricultural products which were quoted about a year and a half ago in the cities of Chicago and Winnipeg. In connection with them I now ask him the same question he put to us: Why is it that he did not endeavour to let us, the people of Canada, ship our goods in the higher priced markets of United States a year and a half ago? As a matter of fact, right to-day, although, as the right hon. gentleman mentioned, the hog market in Canada is very good, it can be of no benefit to those people who have no feed for their hogs and cannot fatten them for the market. He did not mention wool. Last year in my constituency wool was selling for from seven to nine cents per pound. A few days ago in Chicago it was quoted at thirty-four cents a pound. Surely that price would be of some benefit to the wool growers in western Canada.

Then, at page 2293 of Hansard for 1933 the Prime Minister stated that his party did not oppose reciprocity in natural products. If they did not then, why should they now, despite the fact that hogs happen to be a little higher priced in Canada than they are in the United States? If he will negotiate a treaty I do not believe the people of Canada will offer very much opposition. The people in the constituency from which I come—and I believe this statement applies to the rest of Canada—are anxious to secure markets; they want to trade with any country which will trade with us on a fair basis. I have often asked myself why the people of Canada and, for that matter, also the people of the United States, persist in sending their goods and paying freight charges on products they are exporting to points four or five thousand miles away when each country has a market right at its door for a great deal of its natural products. Despite the high tariffs which have been placed against our goods by the United States and which we, in turn, have placed against their goods, the United States was still in the year 1933 our best customer. I have learned that in that year we did a business valued at $383,000,000 with the United States, and about $100,000,000 worth less—$272,000,000—with Great Britain.

In the Winnipeg Free Press of May 3, 1933, there appeared an editorial dealing with the question of reciprocity which, I believe, reflects the opinion in western Canada. It speaks of a readiness, amounting actually to eagerness, of the United States government to make an agreement with Canada which will have the effect of enlarging the volume of trade between the two countries. In part the editorial is as follows:

> The new democratic administration thoroughly realizes the havoc that has been made in the world by the competition between the nations in the raising of tariff walls and admits a measure of responsibility for this disastrous economic war. It will enter the world economic conference with a will to cooperate in an international movement looking to a substantial and progressive removal of trade restrictions. There is in evidence in Washington a disposition to be friendly and reasonable that, if met by Canada in the same spirit and with an equal readiness to act, might result in the United States and Canada going to the world economic conference in June not only with promises of cooperation but with an earnest of their good intentions in the form of an agreement between themselves for the substantial enlargement of trade between the two countries.

Then at another point the article continues:

> The situation is not unlike that of 1911. Then the United States government for domestic political purposes, was prepared to give Canada much the best of the bargain in order to ensure the making of an agreement; but the Canadian people rejected the opportunity in the belief that the American market for our natural products was of no real advantage to them. There is very good reason to believe that we now have a parallel situation. The United States administration, in order to make a good beginning in its program of tariff reductions, is in the mood to deal generously with a country which is its nearest neighbour and, on a per capita basis, its best customer.

I believe that editorial sets out exactly the views held by the people of western Canada and, largely, by the people in eastern Canada as well. On February 6, the hon. member for

Regina (Mr. Turnbull) speaking in this debate about my right hon. leader, had this to say:

> The right hon. gentleman, standing on the platform one day in the summer at Estevan, made certain statements to this effect in an area where the people had lost four crops and the fifth was then being consumed by grasshoppers—the very area with respect to which, for six weeks in this house, he refused to consent to relief being afforded the farmers until the house was compelled to pass the measure by closure. Yet he stood on the platform there and said, "Had I been Prime Minister of Canada in the last three years you people would not be in the condition in which you are to-day." The contention was made throughout western Canada that the prices which the farmers have to pay for the things they buy are higher to-day than they were when the present government came into office. Let hon. gentlemen make no mistake about it; the farmers of western Canada know better than that.

I happened to be at Estevan when the right hon. leader of the opposition (Mr. Mackenzie King) delivered the address to which the hon. member for Regina referred. He did not make the statement, "Had I been Prime Minister of Canada in the last three years you people would not be in the condition in which you are to-day." Moreover, he did not, and the opposition in this house did not, hold the farmers out of their seed for six weeks, as the hon. member for Regina says, in the spring of 1932. The fact of the matter is that the wheat had been purchased and the government of the province had it; all they had to do was to distribute it, and it was actually being distributed at the time that debate was going on in this house. We all know that an attempt was made to make a little capital out of the fact that that debate was being carried on here. The premier of Saskatchewan wired to me, as well as to other members of this house, I believe, asking us to press the legislation through as the farmers were waiting for their seed. I do not know what the others answered, but my answer was to the effect that if this government would bring down a proper measure there would be no delay in procuring the seed.

The hon. member for Regina also said that my right hon. leader tried to prove to the farmer that the prices which they have to pay for the things they have to buy are higher to-day than they were when the present government came into office. What we have contended, and rightly so, as to the prices of agricultural implements—and that is what he was referring to—is that the prices of implements are being held up by the high tariffs put on by this government in spite of the fact that the cost of the raw materials and the price of labour is down. I remember hearing my right hon. leader discussing these matters. He did mention sugar, and I remember the cheer which went up from the big crowd at that meeting because they knew, as everyone knew, that the price of sugar was increased by reason of the tax put on by this government.

Whether the hon. member for Regina likes it or not, the people of my constituency and of the rural parts of the whole province of Saskatchewan do appreciate the fact that the leader of the Liberal party went right out into the rural areas of that province to find out at first hand the conditions under which the people there were living. He made observations for himself, and I believe it did the people out there good to know that he was personally interested in their welfare. In the speech he made in the town of Estevan he did expound Liberal policies, but, Mr. Speaker, there is one thing that even the hon. member for Regina will appreciate, as the people of my constituency appreciated it, and that is the fact that my right hon. leader talked business. He did say that the policies of this government, by high tariffs, had aggravated the conditions, but I know that in comparison with what the leader of the Conservative party said in 1930, the people were quite satisfied that my leader was not there to play politics. He did not, for instance, call his political opponents a bunch of mercenaries. Nor did he say: Put us into power and unemployment will vanish practically overnight. No, Mr. Speaker; he spoke without any particular bias and the people appreciated his remarks.

So far as western Canada is concerned, I believe that the Liberal policy as regards that section of the country is stronger in the mind of the Liberal leader to-day because of what he saw of the conditions there. We have heard the remark made on more than one occasion that the Liberal party has no policy, but what the leader of our party did in his tour throughout western Canada was to announce to the people just what the Liberal policy was, and the people appreciated the fact that we did have such a policy.

In conclusion, Mr. Speaker, although I have put forward the suggestion for an undertaking in my constituency, I cannot help but say that I have some doubt as to the advisability of the government going further into debt even for a building program at this time. But if something can be done which will help to relieve the situation by the expenditure of money that will be devoted entirely to labour,

then I would be in favour of it, and that is why I advance the proposal I have made here to-night of a dam over the Souris river at Estevan. We cannot afford to go further into debt in this country, because I believe that our debt is one of the main obstacles to the return of prosperity.

I have often wondered just what the historians of the future will say when they write the history of Canada during this period of depression. They can honestly say that in 1930 the whole world was in the midst of a very severe economic depression and that Canada, because of the fact that she was maintaining a comparatively low tariff as compared with other countries, was getting through the depression without feeling it to any great extent. Then a political party in this country went to the people promising that by the simple expedient of raising the tariff, as every other country was doing, they were going to lift Canada out of the depression, end unemployment, increase prices, put all our people to work, and change the economic situation entirely. By those promises they secured a mandate from the people, and immediately afterwards a session of parliament was called, at which money was voted freely for the construction of public works for the purposes of relief. That money was spent, and in spite of that fact the depression grew worse and unemployment increased by leaps and bounds. Later the government decided that it had been spending too much money for the benefits secured and inaugurated a program of direct relief. In the first year that relief was given quite freely, but it was found in the part of the country from which I come that the needy recipients received only a small part and the supervisors and those who did not particularly need it got a very large part of the relief. Relief is still being given to-day but it is being given in a most miserable fashion I know of families of four, five and six in my part of the country who are being forced to live on a very few dollars per month, hardly enough to eke out an existence. But still this same government remains in office, its high tariff policy remains in force and economic conditions become worse and worse. In 1930 the Prime Minister (Mr. Bennett) told us that he would do the things I have mentioned, or perish in the attempt. I believe Canada is ready to have him put on his perishing stunt. This is the feeling of the people I represent, and from the sentiments expressed here, I believe it is the feeling across the whole of Canada.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, in continuing the debate on the address in reply to the speech from the throne, may I say that I do not want to be poetical although—

> I like to take part in a parliamentary debate,
> Particularly when it is not too late.

And it is not too late to take part in this debate. In taking part in it I should like to say something about the speech from the throne itself—that is the questions which grow out of it—and deal also with at least one grievance of the riding which I represent in this house.

Before going on to deal with some of the matters mentioned in the speech from the throne, may I refer in a historical way to the speech itself. The speech from the throne has its place and function in our parliamentary system of government and anything that has a place and function in our parliamentary system of government is worthy of the consideration of this house. According to modern parliamentary practice, the first duty of a prime minister or of his ministers, the first duty of a government in fact, is to write the speech from the throne and have it ready for parliament when it assembles. I was pleased the other day at the discussion which took place with regard to the position which the debate on the address should occupy, and particularly so when it was decided to change the procedure this year from that followed last year. Last year the debate on the address ran all over the order paper for days. A procedure of that kind militates against the discussion of certain constituency grievances which ought to be brought before parliament so that they can be remedied. The very fact that according to modern parliamentary practice the preparation of the speech from the throne is the first duty of a government is good reason why the discussion of that speech should be the first duty of parliament after it is read. There we have the very foundation of the Liberal contention that was made the other day. I believe the decision arrived at was sound and if that procedure is followed the debate will be better and after the debate is over the government will feel better for having taken such a common sense course.

In days gone by the speech from the throne was divided into two parts. The king often wrote and read the speech himself; he came down to parliament and delivered it personally. He would then delegate one of his ministers, perhaps the lord chancellor, the lord treasurer or some other member of the government, to state to parliament why it had

been assembled. But with that statement, his duty ended. As far as a present-day speech from the throne is concerned, it is prepared by the prime minister, the parliamentary leader of the nation. It differs entirely from those delivered in past years. Were I to select from the speech delivered this year those parts which the king might state himself if he came down in person, or that his representative would really state, there would be two only. The first would be the following:

> Since I have been associated with you as the representative of His Majesty in Canada, I have visited every province of the dominion. I have been greatly impressed by the loyalty, devotion and friendliness of the people, as well as the high courage with which men and women were meeting and overcoming abnormal difficulties in their daily lives.

That is one part which no doubt the king himself would state before parliament. The only other part which I can find in the speech that His Majesty would state is:

> I invoke the divine blessing upon your deliberations, confident that the measures submitted for your consideration will receive your earnest attention.

The rest of the speech belongs especially to the government of the day. As I have shown, the King's part in the speech is simply to express his desires, sentiments, congratulations and compliments to the people. It would not be an address saturated with the spirit of high tariffs or protection or economic nationalism or imperialism. Those sentiments would be entirely free from a strictly throne speech. As I said before, so far as the government's part of the speech is concerned, it was all written by the Prime Minister. Thus every word of the major portion of the speech belongs especially to and deals entirely with the policies of the present government. Such a speech, therefore, should be the subject of free criticism in parliament. Since the speech is really the manifesto of the government or the Prime Minister it can be discussed with the usual licence of debate. Nothing should be mentioned in the speech which cannot be echoed in parliament. Therefore, there is every reason in the world why we should debate the speech conclusively and why that debate should follow immediately after the speech is read.

The Prime Minister stated that we follow closely the procedure followed in the British parliament. All right. I understand the practice in the old land is for the Prime Minister to write the speech and then lay it before his cabinet. I wonder whether any member of the present cabinet ever saw this strange speech before it was delivered in parliament. I am wondering if it is not entirely the product of the Prime Minister's brain and if any member of the cabinet knew what was in it before it was read to the house. The people of Canada are wondering the same thing. In Great Britain the custom is not only to lay the speech before the members of the cabinet but also to lay it before the leading supporters of the government in both houses. I do not know whether the present speech was ever placed before the leading supporters of the government in the house or in the Senate, but I am of the opinion that this was not done and that it was largely if not entirely the handiwork of the Prime Minister, perhaps after submission to a few, but a limited few of the members of the cabinet and an equally limited number of supporters of the government in the upper house. But I do not think the supporters generally of the government were considered at all; they did not know what the speech contained until it was read in parliament. That is not British parliamentary practice.

With regard to the amendment before the house perhaps it should be said, indeed it is important that it should be said, that any speech from the throne can be challenged by the opposition. One reason for this is that we never know when a government controls a majority in the House of Commons. That is one of the realistic attributes of our British constitution. We never know when a government may lose the confidence of the House of Commons, and whenever that happens the government must go to the country. In that respect our constitution is very elastic, and therefore one of the main objectives of any opposition—and certainly it is the objective of the present Liberal opposition—is to challenge the government by way of amendment to the speech. One of our main political objectives is to challenge the present government by this amendment in order to show the people of Canada that this government does not hold the confidence of the country. I do not know whether we shall attain the objective we wish or not, but our desire is to drive the government as quickly as possible to the country in order that the people may decide just what party they wish to guide the affairs of state at the present time.

The speech from the throne touches certain points of national and international policy, and in debating these questions of policy the nation is given a lead, as it were, to the

larger questions that will be decided by parliament during the time it is in session. In the present speech from the throne, the first part deals with certain peculiar, fanciful statements. For instance, the statement is made that the world is gradually returning to economic stability and that Canada, as a part of the world, is returning to permanent prosperity. May I say that if Canada is returning to permanent prosperity, the idea that seems to be thrown out here is that it is largely because of the fact that the world as a whole is returning to economic stability, and that the policies of the present government are really not having any effect in restoring permanent prosperity to this country. It is the policies, the leadership and the drive to action that have taken place outside Canada which are largely responsible for the improvement in conditions, if they are improving, in this dominion at the present time. In so far as the first paragraph in the speech from the throne is concerned, it might have been written in a more masterly manner, for when we analyze it closely we find that its wording is not very favourable to the government.

Next we come to the part that deals with the trade treaties of 1932, and the assertion is made that empire trade is increasing; and thrown in with that idea is the statement of the fact that Canada occupies fifth position among the trading nations of the world. Well, it is a fact that Canada occupies fifth position in total world trade among the great nations, but I would point out that Canada occupied that position many years ago, and when she did occupy that position at that time she had some trade worth talking about. The fact that Canada occupies fifth position in total world trade at the present time, when she has the limited total of a little over nine hundred million dollars, is not worthy of very much comment; it does not mean much to Canada, under these circumstances, whether she occupies fifth or sixth place. What we want is an increase in trade, both internal and external, and not until we get that shall we have that prosperity which we desire. I have here the annual report of the Department of Trade and Commerce for the present year, and I find that Canada a year ago did not occupy fifth position. She has attained that position in the last nine months. This report says she occupied a year ago the seventh place. That was the position she occupied in 1932 and in 1931 in total world trade. In regard to total imports, in 1931 she occupied eighth place and in 1932 ninth place. In total domestic exports, in 1931 she occupied seventh place, and during the last year she occupied fifth place. Therefore, putting total imports and exports together, and allowing for the increase in trade in the last nine months, we have the statement that to-day Canada occupies fifth position among the great trading nations of the world. We are glad that this is so, but we are sorry that although she occupies fifth place we have only a little over nine hundred million dollars of total trade. What was the situation under Liberal rule in 1929? At that time, it is true, there was no depression, because as a matter of fact there are no depressions under Liberal government. Liberals have the urge to build up international business and freer trade, both internally and externally, so that depressions are obviated. Rather, prosperity is brought about because prosperity can come about only through individual and collective commercial liberty among the people making up the nation.

I might go on to some of the other portions of the speech from the throne. For instance, in one paragraph the statement is made that the government is going to increase price levels. Hon. gentlemen opposite admit that agricultural prices are not satisfactory, so they are going to give a lift to price levels. The main thing, I would point out, is not an increase in price levels; we can have prosperity under any price level, provided it is not too low. It is not the price level that is wrong with agriculture in this country; it is the fact that the prices are inequitable. What the people complain about is inequality in agricultural prices. The question is, what can you buy with a bushel of wheat or a bushel of turnips or ten bushels of rye or with a bullock or with so many hogs? That is what concerns the farmers of Canada, and unless a party and a policy will place prosperity on a different level, unless a party and a policy will bring about fair prices and a return to those conditions under which the farmer could buy what he should be able to buy with his wheat and cattle, hogs, barley and rye, then we shall not make much progress towards making this dominion the great commercial nation it ought to be.

Then we come to another paragraph in the speech from the throne wherein something is said about the London economic and monetary conference. The statement is made that we are going to have important legislation, including provision for a central bank, brought down. The idea of a central bank was mooted by the Brussels international financial conference, in 1920; it was again mooted by the international financial

conference at Genoa in 1922, and both those great international financial conferences decided that a nation which had not a central bank ought to have one. The Liberal party has been to the fore with regard to the establishment of a central bank; in fact, one of its important planks is in connection with such a bank. May I read the plank of the Liberal party on this very important monetary institution?

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

That is the stand of the Liberal party with regard to a central bank, and our position to-day is that we want that bank to be publicly owned and the very best management that can be got in Canada to direct it. When the legislation is brought down we shall soon announce our policy with regard to every detail of it.

The speech from the throne deals with the wheat agreement that will be brought down later. The wheat agreement as it was explained by the Prime Minister and as it has been described by the press of Canada is simply a method of destroying wealth, and to the extent that it is a method of wealth destruction, the Liberal party is opposed to it. There can be no agreement on a policy that will destroy wealth rather than produce and distribute it. Because of this limitation this wheat agreement will be of no benefit to Canada. I do not believe any prime minister or government through such a policy can convince the people of Canada that the proper method to pursue at the present time is to retard our wheat production by fifteen per cent; or, in other words, destroy production, eliminate wealth, leave the tariff structure as it now is attempt to figure out how in some mysterious way by following a policy of that kind Canada can be made prosperous.

What we want is trade within and without Canada. We want an opportunity for this country to exchange in a fair way the products that it can economically produce with those of other countries that they can economically produce. When that situation is brought about, we shall have a flow of trade between one country and another, not restricted by tariffs, not stifled by one interference or another, but with a freedom that will bring about the movement of trade within and without the nation. That is what Canada requires at the present moment and under a Liberal government, when our party comes into power—and that will not be long—we shall have a policy of that kind adopted to restore prosperity to the country.

[Mr. McIntosh.]

Another item in the speech from the throne deals with offering securities in the British market. The government is taking credit for the fact that we sold securities there amounting to about $75,000,000. I am glad that we were able to float a loan in the British market and that we obtained that money, because we need it very badly. We have obtained a vast amount of money from the British people; they have always money to lend. But what did we have to pay for that money? Our dollar was then worth about sixty or sixty-three cents in gold and we are borrowing those millions in Canadian dollars, but when we have to pay them back we shall more than likely have to do so—not at sixty or sixty-three cents—but at 100 cents on the dollar. It will thus be seen that the bargain was a good one for the British and that is shown by the fact that the loan was oversubscribed four times. Such a result is not surprising because it is only what we might expect.

In the remaining parts of the speech from the throne certain statements are made about agricultural short term and intermediate credits. Legislation dealing with this matter should be proceeded with without delay. Certainly what the farmers need is short term and intermediate credits, and the opposition will give the government all possible support in prosecuting the necessary inquiry and in forwarding legislation to make such credits available.

Further, some reference is made to the relief act, to the financing of the western provinces, to a program of public works, and to the policy of the government with regard to the single unemployed men. As regards the program of public works about which the government is talking so much and about which we have heard so much in the house, when you are spending a large amount of money for constructing public works here and there throughout Canada, you are practically bringing about a condition of affairs under which any unscrupulous party can go to work on election day and by a mass expenditure of public money bringing about mass voting. Does any hon. member want to have in his riding a mass expenditure of public money and then, based on that, mass voting, or, in other words,

mass voting to support as far as possible, the government of the day and to put out of business every Liberal or opposition member who dared to criticize the policy of the government? Such a procedure would bring us back to the time of the war when in constituency after constituency it was impossible for the people to elect the representatives that they desired, but where mass voting overseas controlled the election and put into power the Union government which placed upon the country during the war a debt of nearly $2,000,000,000 which is to-day breaking Canada down financially.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 9, 1934

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 9, to incorporate The Bishop of the Arctic.—Mr. Geary.

Bill No. 10, respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.—Mr. Kennedy (Winnipeg).

FLOOD AT VAUDREUIL SOULANGES

On the orders of the day:

Mr. JOSEPH THAUVETTE (Vaudreuil-Soulanges) (Translation): Mr. Speaker, I wish to put a question to the hon. Minister of Marine (Mr. Duranleau). I have received communications from Vaudreuil to the effect that a considerable flood has occurred along the Ottawa river in the parishes of St. Michel de Vaudreuil and Ste. Jeanne-de-Chantel, Perrot island. A large number of people have had to leave their homes, and farmer's flocks should be transferred elsewhere. I request the hon. Minister of Marine, to send, without further delay, engineers from his department to relieve the situation brought on by the accumulation of ice on the lake at Pointe Cascades. This flood is spreading and will be the cause of considerable losses in that district. I therefore beg the hon. minister to send engineers to that district without further delay.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): I have noted the statement of the hon. member and I shall take steps to relieve, as soon as possible, the situation caused by this flood.

MILK INQUIRY REPORT

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): On May 16 last I directed a question to the hon. Minister of Labour (Mr. Gordon) with reference to the Agriculture Committee's report on the milk inquiry, and the answer at that time was, "The report will be reviewed, and of course if action is necessary it will be taken." I do not see the Minister of Labour in his seat but in his absence perhaps the right hon. the Prime Minister would be able to say if that report has yet been reviewed, and if any action is contemplated in the matter.

Right Hon. R. B. BENNETT (Prime Minister): The hon. gentleman's question will stand as a notice.

PRIVILEGE—MR. NEILL

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I rise to a question of privilege, one which I think concerns the rights of every member of this house. Yesterday, under the authority of standing order 44, rule 339, I addressed three questions to the hon. Minister of National Revenue (Mr. Matthews). The record will be found at page 368 of yesterday's Hansard, at the foot of the page. I asked:

> What was the tonnage of coal imported into British Columbia from the United Kingdom during the calendar year 1933?

The minister replied that it was 22,500 tons. I also asked what regular duty had been paid on that, and he told me $6,749.50. I asked him what dumping duty had been paid on that importation, and he did not give the answer. His explanation was as follows:

> At ports where importations of any particular commodity were few the private business of individuals or concerns would be disclosed if such information were given, and this would be contrary to established practice.

I respectfully submit, sir, that that is not correct. In the first place, the consignment was not a single one but a number, and comprised a large quantity, 22,000 tons of coal, which would represent in car lots, 1,100 car-

loads. It was not one consignment but was scattered over the whole year. It was not simply from one concern; it was from more than one. Moreover, the information I asked for would have revealed nothing whatever about the importers' private business. Had the minister replied that a dumping duty of three or four dollars a ton had been collected, it would not have revealed anything about the amount paid for the coal in the country of origin, or the price got for the coal when exported—

Mr. SPEAKER: The hon. gentleman has had an answer to his question.

Mr. NEILL: I have not.

Mr. SPEAKER: It is not in order to discuss it. There is no motion before the house. The question has been asked and answered, and if the hon. member wants further information he can ask further questions, but it is not in order to proceed in this way.

Mr. NEILL: I cannot ask further questions dealing with a matter already on the order paper. I am asking the minister if he will bring down that information.

Mr. SPEAKER: I call the hon. member to order.

Mr. NEILL: If I am not to be allowed to state a question of privilege, Mr. Speaker, then I appeal from your ruling that I cannot do so.

Mr. SPEAKER: State it at the proper time, but not now.

Mr. NEILL: I appeal from your ruling, Mr. Speaker, that I am not to be allowed to state a question of privilege.

An hon. MEMBER: There is no such ruling.

Mr. RALSTON: Do I understand, Mr. Speaker, that it is not to be allowed on the orders of the day for a member to call the attention of the ministry to the fact that a question has not been answered? That is a matter which affects the privilege of all the members of this house.

Mr. BENNETT: He has already done that.

Mr. SPEAKER: The hon. gentleman may understand that or not, but it is not correct.

Mr. RALSTON: I understood that it was correct. I noticed the answer in Hansard and I respectfully submit that the ministry should take the matter into consideration because it affects the privileges of every member of the house. We surely are entitled to information in regard to the dumping of coal at a particular port. Whether particular cases are to be included is another matter.

Mr. SPEAKER: Order.

Mr. BENNETT: The hon. member for Comox-Alberni has directed attention to the fact that the answer is not responsive to his question and is not ample for his purposes. Having done that, the matter will be considered by the government and such action taken as may be necessary in accordance with the rules.

Mr. RALSTON: That indicates that no answer will be given beyond what has been given.

Mr. BENNETT: The hon. member for Comox-Alberni has directed attention to the fact that the answer was not adequate.

Mr. MACKENZIE (Vancouver Centre): May I suggest to the Prime Minister (Mr. Bennett) that if the government takes this stand as a matter of government or public policy, then the remedy may be exhausted, but that has not been stated. I think this affects the privileges of every single member of this house because anyone is entitled to information having regard to special or regular duties. No minister, either properly or improperly—we are not discussing that phase at the moment—can refuse to include special duties. If this is a matter of public policy and it is so stated, perhaps we may not be entitled to the information, but I think any member is entitled to ask the government if this is to be a matter of public policy.

Mr. RALSTON: If I might be permitted to make reference to the point raised by my hon. friend. In connection with this matter of public policy there have been recent decisions, as the Prime Minister knows, questioning the right of a minister to declare that as a matter of public policy a certain paper or document is not obtainable. Even the records of Scotland Yard—

Mr. BENNETT: That was the decision of a court.

Mr. RALSTON: But this is even stronger, this is the court of parliament. Even the records of Scotland Yard have been regarded as not being absolutely immune to production.

Mr. BENNETT: At the risk of trespassing upon the time of the house I would point out the fact that on the orders of the day being called the hon. member for Comox-Alberni was very properly within his rights when he

directed attention to the fact that an answer given to a question asked yesterday indicated that the minister regarded it as an improper exercise of knowledge to give details with respect to individuals. When the hon. member had directed attention to that fact he had served his purpose unless he desired to move a motion of censure which is always within the rights of any hon. member. Attention having been directed to the fact, the government will now give consideration to the matter. My own personal view at the moment is that if more than one person is concerned the information should be made available, but if only one is concerned, then it would be an improper exercise of power.

Mr. RALSTON: Not necessarily.

Mr. BENNETT: Perhaps not necessarily, but that should be the general rule. I shall look into it and a statement will be made. In connection with the Scotland Yard case, I should like to say that it was a judge of a court of law and not the court of parliament that determined that certain papers should be produced. The case is under appeal at the moment to decide whether or not the observations made by Mr. Justice Macnaghten the trial judge, were correct. I cannot see that this case has any particular application to the present instance. If the administration does not discharge its duties by affording information to the extent that a questioner may think desirable, the questioner may then move a motion of censure of the administration. I think I can point out instances where this has been done in Great Britain and I recall one case in this parliament. About twenty years ago the session was prolonged considerably, the house sitting all night in fact, because certain information was not forthcoming from the government of the day to questions asked by members of the then opposition. The question raised by the hon. member for Comox-Alberni will be considered and the position of the government with respect to it indicated on Monday next.

Mr. NEILL: I am quite willing to accept the statement of the Prime Minister and I thank him for his courtesy. A little courtesy from the chair would have shortened this debate.

Mr. BENNETT: I think in fairness to this house and upon consideration the hon. member will withdraw that statement. I put it to him if it is not desirable that he should.

Mr. NEILL: In deference to the Prime Minister's request, I withdraw my statement.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, February 7, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, when the house rose last evening at eleven o'clock I had concluded my remarks in connection with the various portions of the subject matter making up the speech from the throne. I have not the time to summarize the statements I made last evening but shall go on to deal with the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address. I congratulate both speakers upon the contributions they have made to the debate on the address. The hon. member for Compton, who moved the address, made the following statement with reference to himself:

> . . . a representative of a constituency which in 1930 elected its member to carry out the policy of our illustrious leader of whom we are so proud.

Some hon. MEMBERS: Hear, hear.

Mr. McINTOSH: I am glad hon. members opposite say "Hear, hear." I would not think very much of members of any party who did not back up their leader. However, the point I intend to make is that the statement of the hon. member is to the effect that the policy of hon. gentlemen opposite is the policy of their illustrious leader. It is not the policy of the cabinet, it is not the policy of the party; it is the policy of one man upon whom they look as the political Moses of the dominion. I hope the time will soon come when hon. gentlemen opposite will have a party and not a one-man policy, a policy in which every member of the Conservative party from ocean to ocean can take part. When that time arrives they will be able to make a more satisfactory contribution to the upbuilding of Canada.

The hon. member then went on to say that in his and other parishes in Quebec they have that racial and bilingual harmony which goes to make a great province. May I suggest to the hon. gentleman that when he gets through giving testimony of that kind with regard to Compton he should go beyond the borders of Quebec, he should go east and west all over Canada and try to repair the damage deliberately done in 1930 by the racial and religious

disharmony preached by his leader and every member of his party. It is because of this that hon. gentlemen opposite are to-day sitting to the right of Your Honour.

Mr. BENNETT: Mr. Speaker, I must rise to a point of order. The observations made by the hon. gentleman are calculated to accentuate the difficulties to which he sometimes refers. On behalf of myself and others I desire emphatically to deny the statement just made. It should be withdrawn.

Mr. McINTOSH: I accept the statement of the Prime Minister (Mr. Bennett) but my opinion is practically the same—unaltered.

Mr. BENNETT: The hon. gentleman's opinions are things to which he can refer anywhere but in this house he is bound by certain rules. Within the house his opinion is what he says and I submit that the charge made directly against myself and other members of this party as to racial differences in this country is something that should not be permitted to remain uncontradicted and unchallenged. The statement is entirely unwarranted and I ask that it be withdrawn in toto.

Mr. McINTOSH: I am glad the Prime Minister denies it. It was worth while making the statement if only to have the emphatic denial of the Prime Minister,—he could not as one member of the party, subscribe to it.

Some hon. MEMBERS: Withdraw.

Mr. McINTOSH: I have withdrawn.

An hon. MEMBER: No, you haven't.

Mr. McINTOSH: Yes, I have. I have accepted his statement on the Prime Minister's assurance that it is not true so far as he is concerned, and I conclude my remark with the hope that not only the hon. member for Compton but every other hon. gentleman belonging to the party opposite will stand by the statement made by the Prime Minister in parliament to-day. If they do, and do not carry racial hatreds into effect on election day on future occasions, we shall certainly have a more harmonious dominion, something which we all devoutly desire.

I come now to the remarks made by the seconder of the address, the hon. member for Fraser Valley. That hon. gentleman made the statement that our economic destiny is bound up with that of our neighbouring nation, the United States. I believe that is to a large extent true, but I would parallel with that the statement made by the Prime Minister in his speech on the address in this house on January 30, when he said:

> The principal fall in our external trade has been with the United States of America, and the reason for it—if the reasoning of the right hon. gentleman is to be applied at all—is to be found in what he said yesterday.

That is to say, the reason is to be found in the high tariff structure existing between Canada and the United States. Now, here we have the seconder of the address practically advocating reciprocity with the United States, while the Prime Minister happily tells us that because of the high tariff structure our trade with the United States has gone down in recent years.

Mr. BENNETT: What he said was that the high tariff rates imposed by the United States had prevented our selling goods in their markets.

Mr. McINTOSH: I understand what the Prime Minister is trying so hard to explain; I accept his statement in that regard. But the fact is that while the United States contributed to the building up of that tariff structure we played our part too, in the reciprocity election of 1911, and since, in erecting this almost prohibitive tariff wall. There is consequently much blame attaching to this government as well as to the United States. I am not placing all the blame on the United States, nor am I blaming this government entirely, because there is a joint blame in this matter, and hope for the future lies in the gradual demolition by the Liberals of this tariff structure, with consequent reciprocity between the two countries in imports and exports. That is all the time I have at my disposal for the discussion of this particular question.

I come now to railways, which is a very important matter in so far as the constituency of North Battleford is concerned. Development in Canadian railway facilities during the last fifteen or twenty years has been remarkable. In 1913 the Canadian railways carried approximately twenty-three billion tons of freight one mile; in 1928 they carried approximately forty-one billion tons of freight one mile; in 1930 they carried approximately 29 billion tons of freight one mile; and in 1931 they carried approximately 25 billion tons of freight one mile.

In 1913 the freight carried one mile per mile of line was approximately 800,000 tons, and in 1928 it was well over a billion tons. What does this mean? It means that there has been an increase of 80 per cent in the

freight movement between 1913 and 1928. And how did that take place? It was due to the increased technical and mechanical efficiency; heavier ballast; heavier rails; larger cars; more powerful engines; more efficient operation; greater speed of trains by approximately 25 per cent; the increase in the average trainload during the years from 300 to 500 tons; and lastly, it was due to the larger number of tons per load on every car, which was increased from practically 19 to 25.

In so far as the dominion railway problem is concerned, what we need is tonnage. We need freight; we need business, and the only way to get the railways on a sound foundation is to get trade and business and tonnage. How will we do that? We can do it only by paying attention to certain fundamental facts, some of which are to be found in the present policy of the Liberal party. One of those planks is the abolition of unemployment. Another plank in the Liberal program is to liberate external trade, and that can be done only by trading with as many nations as possible, negotiating treaties with countries willing to trade with us on a reciprocal basis; by abolishing the extravagant increases in tariff; by abolishing all unwarranted extra taxes; by substituting stability for uncertainty; by continuing the Liberal policy of the British preference; and by a percentage reduction in existing tariffs rather than a percentage increase against foreign countries in those tariffs. Next we have to liberate internal trade by putting an end to artificial price control and agreements in restraint of trade, and eliminating price fixing in connection with agreements that tend to restrict and hamper trade internally. Internal trade has become honeycombed, enmeshed by secret understandings and agreements. Liberals also firmly believe we can develop trade by putting into every industry the spirit of democracy and by playing fair with both railways.

In connection with railway facilities, I have received from the riding of North Battleford a petition containing practically five hundred names, asking for better rail facilities in the upper end of northwestern Saskatchewan. In that area there are practically ten thousand new settlers, largely from the southern districts. Many of them are on relief. They have no railway facilities. There is a line running from St. Walburg about one hundred miles from North Battleford to Edmonton. A stretch of about forty miles remains to be graded, but the contractor was taken off his job years ago and that stretch of country is left untouched—not railroaded. About seventy miles have been graded and the ties are decaying by the roadside, but no steeling has been done. May I ask the government of this country to-day, the Minister of Railways, and all those who have to do with railway development and construction in this country to take this petition into serious consideration and at the earliest opportunity give these ten thousand settlers the railway facilities they deserve. The petition is directed to the minister of Railways and reads as follows—

Mr. BENNETT: I think there is a rule with respect to the reading of petitions. This was tried once before. Petitions can be presented in a certain way. They are not to be read but referred to, and in a speech an hon. member cannot circumvent the rule by reading a petition.

Mr. McINTOSH: If the Prime Minister objects—

Mr. BENNETT: The rules of the house object.

Mr. McINTOSH: And the Prime Minister deliberately follows up the objection; is that right?

Mr. BENNETT: No; I am for the moment custodian of the rules.

Mr. McINTOSH: I am custodian of the rules too, and I will try to abide by them. May I say then that the petition is from Loon Lake and other areas known as St. Walburg, Red Cross, Makwa, Loon River, Flat Valley, Good Soil and Beacon Hill. In these districts, as I say, there is a population of about ten thousand brave and determined souls. They are miles from any railway, situated in a productive mixed farming area, and my request to the government is that they give this petition their earnest consideration, in the hope that something will be done in the near future to provide these splendid people with the railway facilities they require to develop that district, to build up northern Saskatchewan, and to develop tonnage as well for the Canadian National Railways. So far as that area is concerned, besides the seventy miles of Canadian National steel required, and the forty miles or more of Canadian National grading that has to be done, the Canadian Pacific is building eastward from Meadow Lake towards Loon Lake and Makwa. The line is being extended westward into Alberta. The Canadian Pacific Railway Company a

few years ago was also considering building northward from Meadow Lake into the Beaver River country—over 50 miles distant.

With respect to the Canadian Pacific I would say that the settlers are looking to it as well as to the Canadian National for action and when both railways take action on this long overdue railway construction problem in that large portion of the province, we may look for it to be one of the most flourishing districts of western Canada. Those settlers who by hundreds and thousands have gone into that area during the last three or four years are having a hard struggle to exist; some of them are from fifty to sixty miles away from railway service and there is no one to whom they can look for encouragement but their member, the Minister of Railways, the government of Canada, the board of trustees of the Canadian National Railways, and the Canadian Pacific Railway. When this urgent railway situation is understood, as a humanitarian and paying business proposition, if action can be taken, I hope it will be taken at the earliest possible moment.

Mr. THOMAS F. DONNELLY (Willow Bunch): Mr. Speaker, every session since this government came into power, the speech from the throne has contained some reference to our return to prosperity and the speech this session does not differ from previous ones. The first paragraph I find put into the mouth of His Excellency the Governor General, is this:

> You are summoned for the dispatch of public business at a time when there are sound reasons for believing that the world is gradually returning to economic stability. . . . Canada occupies a leading position amongst those countries where the evidence of a return to permanent prosperity is most convincing.

Ever since 1930 we have been told that prosperity is just around the corner. So far as the district from which I come is concerned, that return to prosperity is just as far away as ever. I am sorry to say that in the constituency which I have the honour to represent we have had an absolute crop failure for five years in succession and the poverty and want that exist in that district I have not seen before in the thirty years that I have lived there. True it is that this poverty and want are not due to any political party; they are due to Providence; Providence has been unkind to us. But we still have faith; we still believe better times are ahead of us and I am glad to say that prospects this year

are somewhat better. We hope and trust in the years to come we shall have the same prosperity that we had before. Some people say: Why do those settlers not move out of the country? They have lived there for some twenty-five years during which they have enjoyed good crops; that part of Saskatchewan for twenty years produced more wheat than did any other part of the province, but during the last five years the crops have been complete failures. It is impossible to convince those people that conditions will not change and that we shall not have similar crops again.

In the matter of the relief that we have handed out in that district, I will say this for the government that no politics have been played. If I were going to criticize the relief handed out there I would criticize it entirely from a business standpoint. There has been displayed a lack of business ability in handling it; all kinds of mistakes have been made and in fact more mistakes have been made during the past year than was the case in the first year that relief was handed out. I do not, however, intend to deal with that question.

There are other parts of Saskatchewan in which we have had good crops, other parts where the people have obtained twenty-five, thirty-five and forty bushels to the acre and even in those districts we find no sign of prosperity. The farmers there are not able to balance their budget, to pay their debts, their taxes, the interest on their loans, and to live. Gradually, year by year, they also are going behind and if with crops such as those, running from twenty-five to forty bushels to the acre, they are not able to balance their budget, what will be the situation when the lean years arrive because just as sure as day follows night there will be lean years.

It will be remembered that last year there were some uprisings, some troubles amongst the farmers in the United States. If conditions there are bad for the farmers, the situation in western Canada is many times worse, because contrary to what the Prime Minister (Mr. Bennett) said, the prices that we receive in Canada for agricultural products are far below those which the farmers receive in the United States. It must be remembered that the two great products we have in western Canada are cattle and grain. After I heard the right hon. gentleman tell us of the high price we received, I took the trouble to go to the reading room in order to consult the Chicago Daily Tribune and the Manitoba Free Press. I made a comparison of prices paid for

certain commodities on January 30, 1934, the day after the Prime Minister spoke, and I wish to place the figures before the house because they tell a tale why our farmers are worse off than those in the United States. Let me first of all take cattle:

Commodity—	Chicago	Winnipeg
Steers from 1,100 to 1,500 pounds	$5 60 to $7 35	$4 00 to $5 00
Steers 700 to 1,000 pounds	5 35 to 7 35	4 00 to 5 00
Stockers and feeders	2 25 to 5 25	1 25 to 2 50

Stockers and feeders are the predominant cattle on our ranches in western Canada. On that day the bulk of the cattle in the Chicago stockyards sold at from $4.50 to $6.75, while the best price we got in Winnipeg for our cattle was $5; the average price for cattle sold in Chicago was $5.50, while the best price in Winnipeg for the best animal we could raise was $5.

Commodity—	Chicago	Winnipeg
Calves	$2 50 to $7 50	$2 00 to $7 00
Lambs	5 75 to 9 00	3 00 to 5 50
Good lambs	8 75 to 9 00	5 50
Sheep	2 00 to 7 75	1 00 to 2 00

The bulk of the sheep and lambs sold in Chicago that day ran from $8.25 to $9, while for the best lamb that we can produce, all we got in Winnipeg that day was $5.50. I live right along the border and if we compare Canadian prices for cattle with those paid right across the line every day, it will be found that we are getting from $1 to $1.50 for ours whereas across the line they are getting from $3 to $3.50. The farmers in Montana are getting twice as much as we do in Saskatchewan.

Then we come to hogs, in Chicago $3.75 to $3.85; in Winnipeg $8.75 plus $1 for each hog making about $9.25; this the Prime Minister dealt with. But surely the Prime Minister knows, or should know, that there is no comparison whatever between the Canadian hog and the American hog. The American hog is short and fat, produced for lard, ours is a long hog produced for bacon. They do not have any bacon hogs in the United States. They are trying to get a bacon type there now.

Mr. BENNETT: I must interrupt the hon. gentleman, I was speaking about the export of hams.

Mr. DONNELLY: I always thought that hams were part of the hog.

Mr. MOTHERWELL: Hams are not bacon.

Mr. DONNELLY: Did the Prime Minister tell us anything about the $2 processing tax which is handed back to the producers in the United States. The Americans do not produce Wiltshire sides, does the Prime Minister know that? Does he know that in years past we were exporting bacon to the United States? If we had reciprocity today we would still be exporting there. We had a good market there until the tariff was made prohibitive. Even now bacon is being smuggled across the line. Americans are buying our bacon and paying the tariff, because they like our bacon. Not only that but our American cousins are going in for the same kind of hogs that we produce, a bacon type. But I want to hurry on and deal with wheat and grain, the most important crop we have in western Canada. I asked the Prime Minister about this and he put me off with something about duty. The following are comparative prices on the same day in Minneapolis and in Winnipeg even though we had a better exchange rate with England.

	Prices in cents	
	Minneapolis	Winnipeg
No. 1 wheat	89½ to 92½	67¼
Oats 2 C.W.	36¾	35¼
Barley	36 to 76	36 to 48⅛
Flax	190 to 194	138 to 154
Rye	62½ to 64½	41 to 49⅛

Our No. 3 wheat is as good as their No. 1. Our oats are half as good again as theirs, theirs is a light thin oat, all shell.

An hon. MEMBER: What about the tariff?

Mr. DONNELLY: Yes we have a tariff, and how does it help us? We have a 30 cents a bushel tariff; that is the reason we are getting so good a price! We will take it off, it is not going to be long either, as soon as we go to the people. In my constituency they

have appointed an undertaker for the relief officer. But continuing the comparison of commodity prices:

	Prices in cents	
	Chicago	Winnipeg
Butter, lb. . . .	26 to 27½	23¼
Turkeys, lb. . . .	10 to 15	7 to 11
Chickens, lb. . .	9¼ to 14	9 to 15
Geese, lb.	10	7
Ducks, lb.	11 to 14	9
Eggs, doz.	17 to 20½	14 to 25
Potatoes, cwt. .	175 to 200	73

We have one cent edge on chickens, but there is an explanation of that; the United States being a warmer country they come on the market earlier. For eggs, the present price in the United States is the same as ours will be in three months, for the same reason, eggs coming from the southern states make the price in Chicago lower at the present time.

These, Mr. Speaker, are some of the prices for commodities which the farmers produce in western Canada, showing conclusively that the farmers across the line get a better price for everything that they produce. Therefore farmers in the United States ought to be better off. But, some hon. gentlemen will say, look at the cost of production. But I say that the cost of production across the line is a lot less than it is with us. The price of machinery across the line is 20 to 25 per cent less than it is in Canada. The hon. member for Regina (Mr. Turnbull) the other night referred to prices of machinery. I will take his own figures. Of the seven pieces of machinery he referred to only one has no duty, that is the John Deere tractor, therefore the reduction in the price of that was on account of the lower costs of raw material and labour. Were it not for the tariff we should have the same percentage of reduction on every other piece of machinery. But what do we find? The John Deere tractor the hon. member says sold in 1930 for $1,170 and in 1933 for $940, a reduction of $230, or 19½ per cent. Prices of every other piece of machinery should also have been reduced 19½ per cent. On that basis what do we find? I quoted the prices of implements in 1930 and 1933 as follows:

Article	Price 1930	Price 1933	Proportionate Reduction	Reduction	Resultant price
14-inch John Deere gang plough with 4-horse eveners..	$ 149 00	$ 136 50	$12 50	$29 05	$ 119 95
Five-section diamond harrow complete with 1-piece pulley hitch drawbar..	33 90	33 90	.....	6 61	27 29
Eight-foot outthrow Bissell disc harrow with 4-horse eveners..	72 00	68 00	4 00	14 04	57 96
No. 241—7-foot 9-tooth field cultivator, stiff tooth, with 4-horse steel eveners..	113 50	108 50	5 00	22 13	91 37
Model "C" manure spreader with 4-horse steel eveners..	204 00	198 00	6 00	39 78	164 22
2-size Van Brunt drill with double disc ops..	249 50	212 50	37 00	48 65	200 85
25-42 Goodison all steel separator complete with feeder, blower and perfection weigher and register..	1,530 00	1,470 00	60 00	298 35	1,231 65

Mr. TURNBULL: Will the hon. gentleman permit an interruption? Will he deal with the 16 foot John Deere combine, 50 per cent reduction?

Mr. DONNELLY: That is a new combine put into the field. I am dealing with someone a little bigger than you are. When I am out on a big game hunt I have no time to stop to skin a skunk.

Mr. SPEAKER: I would ask the hon. gentleman to withdraw the words he has just used. He said when he was out on a big game hunt he had no time to stop to skin a shunk. I think that is entirely improper, and I would ask the hon. gentleman to withdraw it.

[Mr. Donnelly.]

Mr. DONNELLY: To whom is Your Honour referring?

Mr. SPEAKER: I am referring to the hon. gentleman, who said that when he was on a big game hunt he had no time to stop to skin a skunk. I do not think that is parliamentary language.

Mr. DONNELLY: What do you want me to say, a pussy cat?

Mr. SPEAKER: I think the hon. gentleman understands what is parliamentary language and what is not. I would ask him to withdraw those words.

Mr. DONNELLY: I will withdraw them, but I do not know why they should be withdrawn.

Now I should like to say just a word with regard to the implement called a combine, to which some reference has been made. These combines were new implements put on the market in 1929. They were not manufactured in Canada, and the result was that the price was abnormally high in that year. The combine manufactured to-day is a new implement; it is made in cheaper ways and by cheaper means, and there has been just as great a reduction across the line as there has been in Canada.

I must hurry on, because my time is passing. Not only do we find that in the United States the prices of implements of production are less, but that applies also to harness and wearing apparel. I have seen a pair of overalls brought right across the line costing 85 cents for which I would have to pay $1.50 in Canada, and then I would not get an article as good, and the one will wear just as long as the other. I have seen them worn, and I know what I am talking about.

Then I should like to say a word with regard to gasoline. When I went west last spring I went by North Dakota; I came to a place called Kenmore where I filled my car with gasoline for which I paid 17 cents a gallon. That included a state tax of four or four and a half cents per gallon, which would make the price 12½ or 13 cents per wine gallon. If you reduce that to imperial gallons you get a price of something like 17 cents per gallon. At that time the exchange rate was about 15 per cent, so we will say that the price was somewhere in the neighbourhood of 20 cents a gallon. I drove thirty miles to the border and another thirty miles to Estevan, where I filled up my car with gasoline once more. There I paid 33⅓ cents per gallon, three gallons for a dollar. Deducting the tax, the price in Canada was 27⅓ cents while sixty miles away, across the line, the price was about 20 cents. In the United States the farmers obtain their cylinder oil and gasoline for much less than we pay in Canada, and thus they are able to carry on their farming operations for much less.

There is only one matter in regard to which the people across the line are at a disadvantage as compared with Canada; that is in regard to their taxes. In the United States taxes are a little higher at the present time than they are in Canada, but in western Canada taxes are gradually increasing until now they are almost as high as they are across the line, so there is very little difference in that regard. Someone may say, "What about the price of land?" Let me tell you that the price of land is almost on a parity in the United States and Canada to-day. In neither country is it an asset; it is a liability on both sides of the border. You can hardly borrow a dollar on farm land in western Canada or the United States to-day.

We are told, however, that conditions are somewhat better than was the case last year. That may be so to a certain extent, but I should like to ask what this government has done in the way of bettering prices. If prices are better in western Canada, or for that matter in eastern Canada, what is the reason? It is simply because of the policy followed in the United States, and for no other reason at all. This year we are not receiving any more for our wheat, in gold, than we received last year, but last year our gold was worth only $24 an ounce, while this year it is worth $35 an ounce, that accounts for the difference. The increasing value of gold has increased the prices of our commodities and this year, as in the past, we have followed the lead of the United States. For some reason or other this government think they must continue to follow the policy of the United States in regard to their currency. Why should they continue to do so? Last year and the year before they did everything in their power to boost the price of our money and keep it on a parity with United States money, but as the Prime Minister said the other day this year they are just letting it go and doing nothing.

I want to say, Mr. Speaker, that this government have done nothing whatever to better conditions in Canada. The Prime Minister goes from coast to coast telling us about our great farms, our great mines, our great fishing industry, and so on, and we say, "Yes, we have those." Then he goes on and tells us about our great Canadian people, about their courage, their endurance, their fortitude, and so on, and we pat ourselves on the back and say, "Yes, we are just as good as the best of them," and that is quite true. But then we ask, "What is the government doing in order to get the people to take advantage of these great natural resources in order that they may make a living?" And we answer, "Nothing." If there is one indictment more than another to be preferred against this government it is that they are doing nothing whatever to better conditions. They have no plan, no scheme or anything. Is there nothing they can do? To-day every country in the world has some plan by which they hope to lead their people back to better conditions, but this government have done nothing whatever.

The government tried to do something with regard to wheat; the hon. member for Melville (Mr. Motherwell) referred to that the other night. I should like to say just a word or two in regard to that subject. First of

all they gave a five cent bonus, but I do not want to refer to that at all; that is a dark page in their history. We received no benefit; we had to pay more for our flour and seed as a result. Then they stepped into the market and put in John I. McFarland to gamble in wheat. The Minister of Trade and Commerce (Mr. Stevens) said he was only buying futures and hedges and options, and that this was not gambling but legitimate business. Why, Mr. Speaker, there are only two kinds of people on the market who buy futures or hedges; they are the men who intend to take the wheat and the men who go in there to gamble. Does Mr. McFarland intend to take the wheat? The Minister of Trade and Commerce knows very well that he does not. It is gambling in wheat; that is absolutely all there is to it. In 1930 Mr. McFarland was put in there to sell the carry-over of the pool, when it appeared that the pool would become insolvent. They asked the government to help them financially, and what did the government say? They replied, "Yes, we will do so if you put in a satisfactory man to act as receiver." They were asked whom they wanted, and the government said, "Well, there are John I. McFarland, Mr. Brownlee and others," and they decided on Mr. McFarland. Then when I asked the minister in the spring of 1932, about two years ago, if Mr. McFarland was buying options, futures and so on, the minister replied that Mr. McFarland had not bought a bushel of wheat, so far as he knew. Six months later, however, the Prime Minister rose in his place and told us that Mr. McFarland had been buying wheat since 1930. Whom are we to believe? What does the Minister of Trade and Commerce say? I want to read this because it is a gem. I am quoting from page 2083 of Hansard of 1932 where I find this:

> Mr. Stevens: Mr. John McFarland, of course, is independent of parliament and of the government.

Independent of parliament and of the government! Gambling in wheat with the public money and not responsible to anybody! Can you think of anything worse than that? Seventy-seven million bushels given to him to sell, and he told us last year he had not sold a bushel—not one bushel. He said he had 140,000,000 bushels approximately, and to-day I am told he has between 150,000,000 and 200,000,000, and even though we have a better exchange rate with England that he stands to lose from $25,000,000 to $30,000,000, and they do not want to tell us anything about that. Should we not have an investigation into this, Mr. Speaker? The Minister of Trade and Commerce talks of the unethical methods of chain stores and departmental stores and says they ought to be investigated. I say that we ought to investigate some of his unethical methods of gambling in wheat.

Then the Prime Minister goes to Toronto and stands up and tells the Toronto board of trade this:

> Already there were signs of men moving to get back into the stock market in the hope of recouping the losses they suffered in 1929 and 1930. A return to the reckless speculation of the pre-depression days would only bring a repetition of the heartbreaks and sorrows of the past few years, he warned.

He went on:

> This government will endeavour to do all in its power to prevent that.

Yet he himself is doing that very thing. Where is the difference between gambling in wheat and gambling in stocks? Let him take a little of his own medicine. Is it because he knew he was losing so much money in the grain market that he advised his hearers not to go into the stock market? Probably he got his fingers burned. Do as I say, not as I do, he says.

Where does the money come from, Mr. Speaker, for this gambling in wheat? We are told that it was put through under that item known as Unemployment and Farm relief. Taking the public's money to gamble in wheat—

Mr. MOTHERWELL: Under peace, order and good government.

Mr. DONNELLY: Yes. Taking the public's money and starting out to gamble in wheat, and then we cannot get any accounting of these transactions. I think we should have an investigation into the whole thing. We want an investigation into this. We want an accounting of every bushel he has bought and of every dollar he has spent from day to day and week to week. The public are demanding it, and they will not be satisfied until there is an accounting.

One thing more. They started in here lately with another proposition, and the Prime Minister gets up and tells this house last year—I am quoting from Hansard:

> It means that two ships lying side by side along the quay in one of the ports of old England, one from Canada and the other from another country, the ship from the other country will not be permitted to unload until six cents per bushel has been paid on her cargo, while the ship from Canada is permitted to unload without the payment of a single cent.

Some hon. MEMBERS: Hear, hear.

Mr. DONNELLY: Yes, "Hear, hear"—great stuff! What do you think would be the result? You would think that ships would be going across from Canada to England taking cargo after cargo of wheat, while the grain of other countries would not be getting into England, but actually what do we find? We find from the Dominion Bureau of Statistics that in August, September and October, 1933, as compared with August, September and October, 1932, Canada shipped 9,000,000 bushels of wheat less in those same three months, while on the other hand the Argentine, which did not get this six cents a bushel preference, which had to pay a duty of six cents a bushel, shipped 11,000,000 bushels more. We shipped 9,000,000 bushels less and the Argentine shipped 11,000,000 bushels more. What a great benefit that six cents a bushel preference was to us! We sold a lot more wheat, didn't we? Russia also shipped 150,000 bushels more than she did the year before, and paid the six cents duty. That preference must have been a great help to us!

Our belief is that this sale of wheat has not been pushed enough. We have not been active enough in the sale of our wheat. Let me quote from an article in the Winnipeg Free Press of June 10. It says:

> Since January 1 (to June 1, 1933) about 267,000,000 bushels of wheat and flour have been shipped from Argentina, Australia and Canada. The largest amount, 104,000,000 came from Australia, while Argentina shipped 83,500,000 and Canada 80,000,000 bushels.

What a great help that preference is to us! The article goes on:

> This showing on the part of Canada is poor, considering that very cheap all-water transportation from the head of the lakes has been available and ocean freights from all ports have been offered at distress rates. One might be prompted to ask, therefore, why this dominion, with a surplus so large and a new crop not very distant, has trailed in the sale of wheat with only three surplus countries competing in the world market. Has our selling policy not been vigorous enough or have our prices got out of line for export, or both?

That is all that John I. McFarland's buying futures has done. It has put our wheat out of line with the rest of the world, with the result that our wheat has not been sold, while wheat from other parts of the world has been sold from time to time.

I intended, Mr. Speaker, to place before this house some of the plans which the Liberal party has for bringing us back to prosperity, and I intended to compare them with the platform and policies of President Roosevelt of the United States, and also to compare conditions here with conditions in Australia, but I see that my time is up and I will deal with that on another occasion. This country has apparently had no plan. Every other country in the world has had some plan for bringing back prosperity, and the most outstanding country in that respect is Australia. Every government to-day should be searching the records to see what other countries are doing, in order to help get us out of this depression. What has been done in Australia? In 1931 the commonwealth of Australia was practically bankrupt. It was faced with a deficit of over $200,000,000. Australia sent to England and got an expert from the Bank of England, Sir Otta Niemeyer, to go over to Australia and investigate her affairs. He did so, and as a result Australia put into effect what is called the premiers' plan. I have not time to give more than the headings of it at the moment. The premiers' plan was for two purposes, first, in order that Australia could adjust her debts, and secondly, to increase the price of her low commodities and be able to balance her budget. The first thing they did was to put into effect a reduction of 20 per cent on all controllable government expenditures. The second was a conversion of the internal debt of the government on a basis of a reduction of twenty-two and one half per cent in the interest rates. The third was the securing of additional revenue by both the commonwealth and the states. The fifth was the reduction of bank and savings banks rates of interest and deposit advances. The next was relief in respect to providing markets and the next, a reduction of customs duties. From time to time interest rates were reduced. On September 1, 1932, the commonwealth budget provided inter alia for a further reduction of pensions and salaries, decreased customs duties, the final removal of import prohibitions, exemptions from sales tax and primage and suspension of the gold bounty. These are some of the things they did as a result of which we find that to-day Australia is balancing her budget, even having a surplus last year. Her bonds are selling in the markets of the world for a greater amount than ours. I should lke to quote from the London Times of December 14, 1933, as follows:

> A number of new issues have been floated in the past week or so, and pride of place among them must be given to the latest Australian conversion loan. This, the sixth conversion operation to be carried out by the commonwealth since the autumn of last year, concerns primarily the holders of five and five-and-a-half per cent loans of New South Wales, Victoria, South Australia, and Tasmania to a total amount of £16,647,349, who are invited to exchange their holdings into a similar amount of commonwealth three-and-three-quarters per cent stock, 1946-49, at a price of 99 per cent

for the new stock. Cash applications were also invited at the same price to make up any balance that may not be converted, but the cash lists were closed at 11.25 a.m. on the day they were opened; the conversion lists will remain open until Monday next. Enormous improvement has taken place in Australia's finances since the reforms introduced by the present national government, and her economic position is also much better.

Australian bonds due in 1946 paying only three and three-quarters per cent were selling for 99 while Canadian bonds due in 1945 paying four cent were selling at only 96.

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): Mr. Speaker, although the well drafted speeches of the hon. gentlemen who moved and seconded the address have not yet convinced the member for Témiscouata of the soundness of their arguments, let me congratulate them very sincerely upon the correctness of their language. I am sorry that I cannot pay the same compliment to the one who was responsible for the abominable French translation of the speech from the throne. On February 6 I asked a question of the government, as appears on page 301 of Hansard. My question was as follows:

> May I ask if the government is aware that the French version of the speech from the throne published on January 25, 1934, in an extra of the Canada Gazette, in the Hansard of both houses of parliament and the French dailies, is stuffed with grammatical errors, translation mistakes, nonsense, misconstructions, wrong interpretations, inaccuracies and blunders of all kinds, totalling three score and over.

I was then told by Mr. Speaker to put the question on the order paper. Although I sent a copy to the assistant clerk before six o'clock of that day, it has not as yet appeared upon the order paper. My complete question will include also the following:

> 2. Is it the intention of the government to ascertain whether the published French version of this most solemn document of the session reflects on:
> (a) His Excellency the Governor General upon whom has been imposed the task of delivering it in his own name;
> (b) Canadian parliament which under the constitution is bound to give the same consideration to the French as well as to the English language;
> (c) French speaking members of both houses of parliament;
> (d) the whole Canadian community of French origin; and
> (e) the various staffs of official translators?
> 3. In the event of that being the case, is it the intention of the government to have the French translation of the speech from the throne struck out from the said official publications and a proper French version substituted thereto?

I should like to mention one gross mistake which was made not only in construction but in constitutional law. The first three words put into the mouth of His Excellency by the government are "you are summoned." These are translated into French as "Je vous reunis." Upon page 1225 of the Canada Gazette of December 16 appears the proclamation for the convening of the house. This is signed, not by His Excellency but by Mr. Coleman, Under Secretary of State. The houses of parliament were summoned not by His Excellency, but by the government with the assent of His Excellency, which is altogether different. In fact, it was not His Excellency who summoned parliament for this session. Time does not permit of my going into the details of this matter. I have brought to the attention of the house the first mistakes which have been made both in the French translation and constitutional law. This proclamation notifying hon. members of the opening of this session is preceded by forty-two notices of bankruptcy but the greatest bankruptcy of all, that which has occurred in the government policy, is not mentioned as such.

Several meetings have been held in the province of Quebec at which were present the three French-speaking ministers with their Tory supporters within the province. One of the favourite arguments put forth is that the members of the opposition have been deliberately wasting the time of the house without offering a single constructive policy to the government.

The speech from the throne contains a paragraph relating to economy which reads:

> The accounts of last year will be laid before you. The estimates for the coming year will be submitted at an early date. They have been prepared with a regard for rigid economy consistent with the requirements of the public service.

I direct the attention of the house to Hansard of February 7 of last year and I hope to have an opportunity of quoting some of the remarks made by my genial friend, the Minister of Finance (Mr. Rhodes). In the speech of that day of the hon. member for Temiscouata there is the following:—

> First of all, there are eight vacancies in the Senate. The government have a majority in the Senate, and they are sure to carry their legislation through that body, whenever they think fit. What is the necessity of spending $32,000 per annum in order to fill those vacancies? The government could wait until a time immediately preceding the next general elections, whether they take place this year or next. If they take place this year the government would save $32,000, and if next year, $64,000.

Last year the vacancies in the Senate numbered eight and the saving in salaries was $32,000 less ten per cent, a net saving of

$28,800. I congratulate the government upon having accepted a suggestion from the humble member from Témiscouata. In 1933 the number of vacancies totalled fifteen and if the same policy had been followed it would have meant an additional saving of $60,000, less ten per cent, or $54,000 for this session and $82,800, for the two years. On December 30, 1933, seven senators were appointed. Why were these appointments made? Was it because three new Liberal members were to be introduced by the right hon. the leader of the opposition (Mr. Mackenzie King) at the first sitting of this house while the government had no newly elected members to introduce? Was it the intention of the government to counterbalance the publicity attending the introduction of three newly elected Liberal members to the house by the appointment of twice as many senators plus one, while there was no urgent necessity for such appointments and while the strictest economy is being preached by the government itself in the speech from the throne.

Another Tory slogan of last summer in the province of Quebec was this: It was said by Tory speakers, "At the next election you will have to choose between order, represented by the Prime Minister and his government, and disorder, represented by the C.C.F." The Prime Minister was spoken of as orderly and the C.C.F. and the hon. gentlemen to my left were described as disorderly. I have in my hand some political propaganda which was widely distributed in the Restigouche-Madawaska election. It is rather a screen, and at a joint meeting I showed it to the Tory candidate and told him that if it was a screen it was not wide enough to hide his face and his feet. Here is the quotation, first as it appeared in French:

Un vote pour M. Paul Dubé—

He was the Conservative candidate.

—est un vote pour la paix, l'ordre et la prospérité. C'est un vote pour le bon gouvernement. Il vaut donc mieux être sur le bon côté, celui de la justice, du droit et du maintien de nos traditions.

The translation reads:

A vote for Mr. Paul Dubé is a vote for peace, order and prosperity. It is a vote for good government. It is better to be on the right side, that of justice, right and the maintenance of our traditions.

And how was it explained? It was explained by Mr. Dave Stewart, Tory provincial Minister of Public Works in New Brunswick, whom I met at the meeting. I was astounded at what he said. He said, "If you do not vote for the federal Conservative candidate you will get nothing from the provincial government for your roads." It was enough to disqualify that gentleman politically.

Mr. VENIOT: He will be disqualified in the next election.

Mr. POULIOT: I told the people then that Mr. Stewart was using the same language as the devil used speaking to Our Lord after He had fasted forty days. The devil showed Him wonderful plains, rich cities, and said to Him, "Kneel before me and I will give it all to you." That was the sort of language used by the Tory minister of New Brunswick —"Kneel before me and I will give you anything you ask." I told that Tory provincial minister that the answer of the electors would be the same as that given by Our Lord to the devil—"Do not tempt Me; vade retro, Satanas."

An hon. MEMBER: The Tory devil.

Mr. POULIOT: Parliamentary rules do not permit of such language. Another slogan was this: It was said that the Canadian people did not pay any attention to Liberal policies. In Yamaska the election was between a Conservative and a Liberal, but in the Restigouche-Madawaska election as well as in Mackenzie there was also a C.C.F. candidate. Now, the Tories had repeated throughout the recess that the real issue was between the Prime Minister representing order and the hon. member for Winnipeg North Centre (Mr. Woodsworth) representing disorder. Why then was not the Prime Minister courageous enough to meet the electors of Mackenzie, Yamaska and Restigouche-Madawaska and personally submit to them the thousandth renewal of the unfulfilled promises of 1930? He did not even dare show up in Restigouche-Madawaska, in his own native province of New Brunswick, and this was greatly resented by the electors of that constituency. The leader of the opposition (Mr. Mackenzie King) on the other hand was not afraid to speak several times in each constituency—Mackenzie, Yamaska and Restigouche-Madawaska. The Liberal party won the battle on the whole front, and I am particularly glad, as a humble backbencher of the Liberal party, to congratulate warmly the hon. members for Mackenzie, Yamaska and Restigouche-Madawaska on their magnificent victory at the polls. My duty was to give my hearty support to my hon. friend from Restigouche-Madawaska, and I must pay every tribute to the intelligence and patriotism of the electors of his constituency, and to my

own dear friends whom I met during that campaign. Many of them came from my own neighbouring constituency. The hon. member for Restigouche-Madawaska is a parliamentarian of seventeen years' experience in the local chamber and he will be a distinct asset to this house.

It is noticeable that a storm of wrath and indignation blows throughout the country from the Atlantic to the Pacific, from Nova Scotia to British Columbia. The Canadian people are dissatisfied with the statements of the Prime Minister and the inactivity of the government in so many important matters.

The amendment proposed by my right hon. leader reads:

We respectfully submit to Your Excellency that Your Excellency's present advisers do not possess the confidence of the country.

I had the honour to accompany my leader, in the beautiful city of Campbellton, where two meetings were held in crowded halls. Turning to the Montreal Star of Friday, October 20, I find an article under the following heading:

King assails agreement to cut wheat acreage. Says Conservative tariff policy strangling trade in speech at Campbellton, N.B.—Charges Bennett preelection promises unfulfilled.

My hon. friend from Restigouche-Madawaska spoke, and according to the report:

He charged the Prime Minister with adopting an "I can't" attitude in the face of serious conditions.

The member from Temiscouata spoke at these two meetings. He spoke very plainly and frankly to the people there, and according to the report he said:

"Competition ever, amalgamation never" had been the cry of Mr. Bennett in regard to the railways when he attained power, said Mr. Pouliot. Mr. Bennett and Mr. E. W. Beatty, president of the C.P.R. were friends, he continued. He had no objection to their being friends just so long as the friendship did not influence Mr. Bennett. But Mr. Beatty returned from Europe and said, "We must have immigration," and then Mr. Bennett echoed "immigration is badly needed."

Many years ago Mr. Bennett had referred to Mr. Meighen as the gramophone of Mackenzie and Mann. "To-day Mr. Bennett is the gramophone of the C.P.R.", aserted Mr. Pouliot. He declared that if a $60,000,000 guarantee was to be given to the C.P.R., parliament should have been summoned to approve such a guarantee.

The day after, my hon. and genial friend the Minister of Finance also held a meeting. He was fresh from the world economic conference, and I saw in the Citizen of August 28, 1933, that the hon. gentleman anticipated great benefits from the conference. The heading declares that:

Hon. E. N. Rhodes feels nations better acquainted.

That is very nice but it does not mean much to the pockets of the Canadian electors. The minister held a meeting in the same city of Campbellton, but he did not hold two meetings—just one, in one hall, and even that was not filled, notwithstanding that he was accompanied by the Minister of Pensions and National Health (Mr. MacLaren), the hon. member for York-Sunbury (Mr. Hanson) and many other distinguished speakers. The city of Campbellton, formerly Conservative, gave a splendid majority to the hon. member for Restigouche-Madawaska.

At Edmundston on nomination day I was pleased to cross swords with the hon. member for Dorchester, (Mr. Gagnon), who was just back from Yamaska. My speech was very simple. It consisted merely of quotations from Hansard of questions put to the government, which the Prime Minister has always refused to answer. There were questions of special cars to the superintendent of railways, questions on imports of butter, on firms importing butter during the three or four months preceding the 1930 election, and on tax free bonds. I quoted Hansard of last year when the ex-Minister of Trade and Commerce (Mr. Malcolm) stated to the house that those tax free bonds should be converted. We have a new Minister of National Revenue (Mr. Matthews) whom I congratulate upon his promotion. We remember in the first year he was a member of the house he made a speech about loan conversion, and I hope he will convert his own friends in the government in order that they may convert the tax free bonds so that those who have money shall pay in future. At that meeting the audience blamed and censured the government for hiding the truth from those who have the right to be acquainted with it. What was the result of the election? I was there and noticed the great popularity of the Liberal candidate. Both the C.C.F. and the Tory candidates lost their deposits; the Liberal candidate was indeed very popular, but the verdict of the electorate proved also that the government does not possess any more the confidence of the country.

On Monday of last week, January 29, 1934, as reported in Hansard at page 9, I asked the government whether it was the intention to table the Amulree report on Newfoundland. What was the answer of the Prime Minister? It was the same as he always gives, that it was not proposed to table it; the

report, he said, was not in any sense connected with the operations of the government. Let us go back to last year. On February 7, 1933, the hon. member for Temiscouata said:

I see that this government has loaned $700,000 to Newfoundland; has saved that dominion twice from bankruptcy. These are large sums of money. We are not interested in the welfare of Newfoundland any more than that there are human beings there; we are not more interested in their affairs than we are in the welfare of Germans, French, Spaniards or Roumanians.

Mr. Cowan (Long Lake): Oh, yes, we are.

What was the answer of the Minister of Finance? We find it at page 1874 of Hansard. I will read it, but I cannot do so with the tremolo he had in his voice when he was speaking about the matter. He pointed his finger at me in a very indignant way.

Mr. RHODES: Never.

Mr. POULIOT: I prefer my hon. friend when he is smiling in such a genial way. This is what he said:

My hon. friend—

That is the hon. member for Temiscouata.

—has said that Newfoundland means no more to Canada than does some foreign country. I do not think he will have many other members in the house or people in the country who will subscribe to that kind of view. Newfoundland is the odest dominion under the crown. It has been, and quite properly so, one of the boasts of the British people that they have always met their obligations. There has never been a default. When it was open to us in cooperation with the mother country, to lend a hand to the oldest dominion, a sister dominion, I claim we are entitled to consideration for having come to her assistance under those circumstances. What we did was to say to the banks who came to the assistance of Newfoundland at that time, that we would stand behind them in cooperation with the mother country in case eventually Newfoundland found it impossible to meet her just obligations. So far from being criticized, I think we have every reason to take credit for having lent that helping hand under those circumstances. I do not need to place it on the ground of patriotic consideration. If, as has been the case in times past, we have come to the assistance of those who have met with disaster in foreign countries, surely we are entitled to come to the assistance of our sister dominion, Newfoundland, in the circumstances.

Is it not beautiful? Naturally this was done, in virtue of the blank cheque policy, as the hon. gentleman said in reply to a question of mine last year. But if I was right last year, why did the Minister of Finance, to use the expression of his own friends, waste the time of the house by censuring me? If on the other hand I was wrong, then why did the Canadian government, at the last world conference at London last summer or immediately thereafter, follow the lines of my humble suggestion? I do not blame the government for having accepted my suggestion, far from it, because millions of dollars have been saved thereby to the Canadian exchequer, but we are highly interested in seeing the Amulree report in order to find out whether it recommends the refund to the Canadian government of the loans guaranteed in favour of Newfoundland.

This is not so bad, but there is something else and I wish to tell the house that in any speech of mine I have never made a personal attack against any member. On the other hand, there are things which are done by a public man which are related to public matters, especially when a member receives a public grant for something, and in that case we have a right to know to the last cent how it is expended. We are entitled to ask for this and to be told, and such remarks shall not be considered as a personal attack upon any member. Last year I spoke about a second-hand American-made car and I said this:

I have an objection to Canada's coat of arms being on this car. If the car belongs to the country I do not see why the country has bought for the Prime Minister, the apostle of "Canada first," an American made car. If it is privately owned by that gentleman, he has no right to put the coat of arms of Canada on his car.

I am glad to tell the house that the Prime Minister has conceded that this remark was quite right and he has had the coat of arms removed from the radiator of his car. I congratulate him on doing so; it is a step in the right direction. The Minister of Finance at that time said this:

I submit my hon. friend—

He was referring to the hon. member for Témiscouata.

—went a little too far when he brought the name of the Prime Minister into the discussion in connection wth a matter which, after all, is his personal and private affair. I say to my hon. friend that the car owned by the Prime Minister was purchased by him in Canada as a second hand car, from a man in needy circumstances who wanted money. I am not going to stress that angle of it, but I know that idea was in the mind of the Prime Minister when he made the purchase. He had to have a car of some sort and he purchased it with his own funds.

That is all right, but I subscribe $400 a year for the upkeep of that car, so I must know whether it is a Canadian or United States make of car. I will not say there is a lack of judgment; English is not my native language, but I will say that it is a misuse of

judgment. This is a gentleman who is the protagonist of "Canada first," who says that we must buy Canadian products, and yet he buys a United States made car, and not only that, but a second-hand one. He could have helped his friend by lending him some money on his I.O.U. The question of charity does not come into the matter. Here is an American-made car bought by the Prime Minister whose policy is "Canada first." We see that car at the door of the east block every day as an advertisement for American-made goods. How can the Prime Minister speak to-day against purchasing American products? He himself shows that when he says, "My policy is Canada first;" he is not serious, the car that stands there proves the contrary.

I continue to quote my hon. friend the Minister of Finance:

> I say I have not the slightest doubt that not only does he give away his $1,800 but much more besides. And when my hon. friend suggests that his only contribution to charity was $250—
>
> Mr. Pouliot: I did not say that.
>
> Mr. Rhodes: I am glad to hear the hon. member say he did not make that statement, because my interpretation of his remarks was that it was his impression the Prime Minister's benefactions were limited to that small sum of money. I am glad the Prime Minister is not here. Even although he may be absent I do not purpose going as far as I might go, but I feel obliged to say that the Prime Minister in his generosity towards his fellowmen is second to no man with whom I have ever come in contact in my lifetime. His modesty in connection with his benefactions, which I know to be numerous, is in marked contrast to the character which hon. gentlemen in this house would give him when they accuse him of being a Mussolini and a dictator.

I wonder if Mussolini or any dictator has an American-made car. But my idea was that having been deprived of $400 of my indemnity, and that amount having been given to the Prime Minister, who is much richer than I am, I wanted to know where that money was going. I said he subscribed only $250 in the Ottawa drive. What happened? Three days later he subscribed $500, a hundred dollars more than the tribute I have been forced to give him. A lady wrote me asking me for my contribution and I replied to her saying: My lady, I send you one dollar. My real contribution is $251, because the Prime Minister has subscribed $250 on my behalf.

Now, sir, there is something else that was mentioned in that speech on the 7th of February, and that is the Tokyo legation. I thought it was absurd for the government to build that legation when they were refusing to construct a building for the Supreme Court of Canada, but were letting the judges sit in a former stable; or to build a new library to preserve the treasures that are in this library, which is not fireproof. But the hon. Minister of Finance said: You will get a good explanation when the estimates come before the house. I was not here when the estimates for the Tokyo embassy came before the house, but what did I see in the Ottawa Journal of September 1 last?

> Hon. H. Marler Is Financing New Tokyo Legation.
>
> Dominion to repay actual cost, not exceeding $200,000 in ten years at 5 per cent interest.

That is a great bargain—the government can borrow money at four per cent and pay five per cent to Mr. Marler because he builds that legation in Japan. The Minister of Finance had some delightful words about it; he spoke about the patriotism of Mr. Marler—his words will be found at page 2009 of unrevised Hansard of February 7, 1933.

Another item to which I referred was the Canadian Pacific loan. I objected to that loan last year in the same speech. I said that under the blank cheque act it was unfair for the government to supply money to any private concern. Last year the government supplied quite a large amount, and this year it is much worse; they guaranteed $60,000,000. Sir, it is too bad that the government did not convene parliament in order to have that matter fully discussed before the house.

I hold in my hand a sample of the propaganda used in the Restigouche-Madawaska election. What is said? "If you want prosperity to come back to the labourer and the farmer, vote for Paul L. Dube, the government candidate." It is the same old story. And there was another defeated candidate campaigning with him. I have his own program at the last election; it was drafted in exactly the same words. Sir, I do not wish to be offensive to any member of the cabinet—there are some very likeable gentlemen among them—but let me tell them that if I have mentioned the automobile matter and the Ottawa relief drive incidents it is to show them that they should not be afraid to speak to the Prime Minister; they should not kneel down before him; they should speak to him as man to man and have the courage to tell him, when he boasts in a bombastic way—

Mr. COWAN (Long Lake): He never does.

Mr. POULIOT: —they should tell him to cool down. The hon. member who spoke before me said that in his constituency they had appointed an undertaker for the Con-

servative party; I suggest that the hon. member for Long Lake be embalmed in his lifetime. I will ask the hon. member for Long Lake and the hon. gentlemen who sit on the front benches to have the courage to speak plainly to the Prime Minister so that he will understand that in the cabinet council those who sit with him are men and not slaves.

Mr. ANGUS MacINNIS (Vancouver South): It is well, Mr. Speaker, that the speech from the throne gives the opportunity for discussion of other matters than those referred to in the speech, because there is very little in this speech from the throne that is of any great importance. It is mostly made up of platitudes that do not amount to anything. I am sure that the people of Canada are disappointed that there is not more in it. The old saying is true that hope springs eternal in the human breast, and I am sure that the people of Canada were looking forward to something worth while in the speech from the throne. I believe the government has missed a real opportunity for taking bold steps in the way of reconstructing the economic life of this country. I believe they could have the people of this country with them in almost any steps they might take having for their purpose the improvement of the general condition of the people of Canada. However, there is in the speech no departure from the program that has been followed in the three or four years of the life of this parliament. Not only is the speech itself disappointing, but the speeches made on the address in reply by both the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King) have also been disappointing. At perhaps the most serious time in the history of the world they have really talked irrelevancies so far as this debate is concerned. The other day I picked up a book entitled The Liberal Way, in which I read a speech delivered by the leader of the opposition (Mr. Mackenzie King). At the beginning of the speech he had this to say:

> Never before in the history of mankind has the world known a period of such rapid transition, and of such great unrest, as it is experiencing in these very years.

Despite that fact, and his realization of it, he spent an hour of the time of this house in discussing the question of titles. The Prime Minister chided him for the irrelevancy of his remarks, and then took up an hour and ten minutes discussing the same subject. The people in my constituency are not concerned with titles; there are other things of greater importance with which they are concerned. A great many of them are concerned as to when they are going to get into employment again. Many of them are concerned with the question of when their sons are going to leave the unemployment camps, and a great many of them are concerned with the question of when their children who have finished their education are going to find something to do. These are some of the questions with which the people in my constituency are concerned, and I have no doubt that this is the general feeling all over the Dominion of Canada.

I do not know that it would be correct to say that my constituents are not concerned in some small degree in the question of titles. There was a rumor abroad that if titles were restored in Canada the Prime Minister might receive a peerage, and that in this case he would leave the country. As far as the people in my constituency are concerned the king's prerogative cannot be exercised too hastily if that can be brought about. If they could do the same thing for the leader of the opposition I believe that would meet with approval also.

Miss MACPHAIL: That is pretty hard on the old country.

Mr. MacINNIS: Yes, but in these days it is every man for himself.

Mr. SENN: Is that your theory?

Mr. MacINNIS: No, it is the theory of those who support capitalism.

Mr. BEAUBIEN: Where would you send Judge Stubbs?

Mr. MacINNIS: Judge Stubbs can look out for himself. That reminds me that there has been a very considerable change in the attitude of the parties in this house since the special session of 1930. Our friends the Conservatives have lost the confident bearing which they had at that time, and I believe they have lost some of the arrogance which they displayed when this parliament first met. I believe their more humble attitude becomes them very much better. Our Liberal friends have emerged from the valley of humiliation; they feel very cocky at the present time.

Some hon. MEMBERS: Hear, hear.

Mr. MacINNIS: Quite so. The hon. member for Lisgar (Mr. Brown) referring to the British farmers the other evening, said they had tasted blood and were looking for more. Our Liberal friends have tasted blood, and they are looking for more. They tasted

a little blood in the three recent by-elections, but I would suggest that they would show wisdom if they made haste slowly. Unless they have some other policy than they have placed before the people of this country so far they are not going to make any better fist of finding a solution for the problems of this country than the party in power at the present time.

That brings me to the by-elections and the general political activity in this dominion during the recess. My hon. friend from Last Mountain (Mr. Butcher), in his speech the other evening, said that the C.C.F. were given a bad licking in the province of Nova Scotia. That is not so; they did not enter the contest. The fact is that they did not get a licking because they were not in the contest. We had no organization there; two men ran on their own, taking the C.C.F. label, and they were defeated. That is not a licking. The hon. gentleman then went on to refer to the by-election in Mackenzie, and he stated that I took the C.C.F. candidate into that riding and introduced him to the people. I did not expect that from the hon. member for Last Mountain, whom I have always considered a gentleman. If he had wanted the facts in the case he could have secured them very easily. I was asked to go into the Mackenzie riding for the nominating convention meeting two months before it was held. At that time the C.C.F. candidate who ran in Mackenzie was still on the bench, and consequently was not eligible for nomination.

Mr. HANBURY: He knew he was going to be eligible.

Mr. MacINNIS: He did not know.

Mr. HANBURY: We did.

Mr. MacINNIS: Possibly you had the ear of the commissioner. The fact is that I was asked to go in there, and I certainly did not introduce the candidate into the riding; he was selected at a nominating convention that was just as democratic—though perhaps there was less beer—as the convention which nominated the Liberal candidate.

Mr. VALLANCE: Pretty small politics.

Mr. MacINNIS: My hon. friend from South Battleford (Mr. Vallance) said that our candidate was hand-picked. My hon. friend ought to be an authority on that, because I understand that he was hand-picked himself, or perhaps it was hand-plucked.

Now let us analyze the situation with regard to the Mackenzie election; I do not think it looks so bad for the C.C.F. The leader of the opposition said that Mr. Campbell, the previous member for that riding, was elected with a majority of 3,076. That is quite true, but the right hon. gentleman did not tell the house that there were two Liberal candidates in the last election, and that instead of Mr. Campbell having a majority of 3,076 over the other candidates, he had a minority of 356 votes.

In the by-election of 1933 there were four candidates, the United Front, the Conservative, the Liberal and the C.C.F. The Prime Minister made the statement that this was the first time in a generation that the Conservatives had run a candidate in the Mackenzie riding, and the question might be asked why they ran a candidate this time. Perhaps our Liberal friends are not altogether wrong when they say that the former member for Mackenzie was favourable to the Conservative party. At all events they never ran a candidate against him, and consequently we can only assume that he had Conservative support. On that assumption the only reason the Conservative party ran a candidate in this election was to help out the Liberal candidate by taking away from the C.C.F. man the Conservative votes that usually went to the Progressive candidate. So my friends should be a little more generous and thank the Conservative party for helping them win the Mackenzie seat.

Mr. VALLANCE: We did not run one against you, either.

Mr. MOTHERWELL: The Consevatives could not support Stubbs.

Mr. MacINNIS: They were very much more afraid of Stubbs coming here than were the Liberals, and that was another reason why they wished to help out their Liberal friends.

Now I come to the British Columbia elections, the first major political fight since the organization of the C.C.F. We had no money, we had no breweries, we had no press.

Mr. HANBURY: What do you mean by "no"?

Mr. MacINNIS: The usual meaning of the word. It is one of those simple words which it is difficult to define.

Mr. HANBURY: No money?

Mr. MacINNIS: We had no money. We did not have any. We were confronted with the most unscrupulous and scurrilous campaign that was ever waged in the province of British Columbia. Our Liberal opponents stuck at nothing. The only question they asked was, would it bring votes? If it did, it

was done. Every appeal to fear, every appeal to prejudice, every appeal to passion, every appeal to ignorance that could possibly be made was made by them during that election. Yet despite that, the C.C.F. made a very good showing. The Liberal party received 151,000 votes, about 42 per cent of the total, and they won 34 seats, while the C.C.F. got 115,000 votes, or 33 per cent of the total, but won only 7 seats. All the other candidates combined got a total of about 92,000 votes, or 25 per cent of the votes, and received 6 seats. If the C.C.F. had received seats in proportion to the number of the votes polled, then instead of having 7 seats they would have had considerably over twice that number. We are indeed very well satisfied with the results. We shall be better prepared when the next election takes place, and we are quite satisfied that when that time comes, whether our Liberal and Conservative friends are joined together, as they very soon will be, or are fighting separate campaigns, we shall be able to give them a run for their money.

Mr. RALSTON: Will you have some money next time?

Mr. MacINNIS: We do not need it because we have what is more fundamental—we have a policy—and I shall refer to that later on.

Another thing has happened since the election in British Columbia to which I wish to refer. The leader of the opposition (Mr. Mackenzie King), during his speaking tour in the prairie provinces, at one of his meetings made a statement that went something like this: You may be hard up now, he said, but at least you are free, but just wait until the C.C.F. gets power, and then you won't have even that. Well, Mr. Speaker, let us see just how free some people in this country are. I am sorry the leader of the opposition is not present at the moment. I should like to have asked him if he had ever lived in a company town or in an employment camp. If he had ever been in any of these places he would have a better understanding of what freedom means and to the extent to which it may be exercised by the workers in this land of freedom. There is a Mackenzie constituency in the province of British Columbia. It takes in some of the company towns on the west coast of the province, Powell River, Ocean Falls and some of those places. This constituency of Mackenzie elected a C.C.F. candidate even if Mackenzie in Saskatchewan did not. And what happened? The managers in this company town of Powell River are now discharging the men in their employ who dared to exercise the prerogative of their Canadian citizenship by voting for whomsoever they liked. These men voted and worked for the C.C.F. candidate in that constituency—and such action did not meet with the approval of the company so the men are dismissed.

Mr. HANBURY: Was there not a secret ballot there?

Mr. MacINNIS: There was a secret ballot, yes, but the names of these men who took part in the C.C.F. organization were not secret, and these men, some of whom have given as long as twenty years faithful service to this company, have been discharged without an hour's notice and replaced by other men brought into Powell River from Vancouver and elsewhere. This is an American company. In those company towns the company is mayor, alderman, laundryman, landlord, boarding-house keeper, and many other things. In some of these towns it is sufficient for a man to have a labour or socialist paper sent to him through the mail; the post office being on the company's premises, the receipt of that paper, is as good as an order for his dismissal. These companies have received concessions from both Liberal and Conservative governments in the province of British Columbia, but those governments never took the trouble to see that the men working for the companies were protected. The men are not allowed to organize. The government never saw to it that they were given the opportunity to organize into a trade union if they saw fit. And yet our friends talk about liberty.

The leader of the opposition was also very much afraid that at some time he might come under the command of the hon. member for Southeast Grey (Miss Macphail) and have to take orders from her. Well, I do not know whether her orders would be any harder than the orders given in a company town by an American company.

Miss MACPHAIL: That is not going very far.

Mr. MacINNIS: Probably not far enough. There is nothing much that can be done in this house to remedy the conditions I have spoken of, but I hope that when the question is raised in the provincial legislature, as it certainly will be, our Liberal friends will be as liberal in the house as they were before the election.

There is one other matter to which I wish to refer. It is rather strange that it has not been more emphasized during this debate, and that is the guarantee of $60,000,000 to the banks of this country on their advances to

the Canadian Pacific Railway. If I might use an expression that is often used by the Prime Minister in this house, do hon. gentlemen realize the significance of that? Do they really appreciate what it means? Here is the largest commercial organization in the Dominion of Canada, a Canadian institution if you like, with its signs up everywhere that its transportation system spans the globe. Now what does this guarantee mean? It means that this company along with five hundred thousand or more, possibly a million, of the other inhabitants of this country is at present on relief, and the dominion government is dealing with it far more generously than it is dealing with the ordinary person on relief.

The Prime Minister tells us that the security for the loan is good, but the fact remains that the company went to Great Britain to try to raise the money, and they could not raise it there. Why? Because the money lenders in Great Britain did not think their security good enough. They also went to New York to try to raise the money but the money-lenders in New York would not make a loan to them. Why? Because their security was not good enough. Then they went to the Canadian banks and the Canadian banks would not loan them money for the same reason. They did not think the company's security was good enough. I wonder if the government, before loaning this money, asked the officials of the Canadian Pacific Railway what they had done with the profits of the many years of prosperity which they had enjoyed, because we all know that the Canadian Pacific Railway did have some very profitable years. In 1928 this company made a net profit of $51,693,450; in 1929 the net profit was $43,144,543 and in 1930, $38,246,658. The total for the three years was $133,084,651. I think that any company having made such substantial profits for so many years should be able to carry on for more than four years of hard times. The people of this dominion should be careful that they do not take over another bankrupt railway company upon the same terms as they took over the last one.

There is not very much in the speech to which I desire to refer but there are a few things in it which those of us in this corner have been pressing upon the government for several years. There is the promise of legislation to facilitate the efficient and profitable marketing of live stock and agricultural products. It is very noticeable that no matter what party is in office or, in fact, what party is in opposition, the only policy of any government which is of any value is a policy

looking to the promotion of cooperation. The Labour party in Great Britain was in office in 1931 and they brought forward legislation for the marketing of agricultural products. This entailed the compulsory organization of the producers as well as compulsory marketing. At that time the Conservative opposition opposed the legislation, yet during the last session of the British parliament the Conservative government put substantially the same kind of legislation into effect. The farmers of this country are asking that similar legislation be put into effect here. It has been tried in British Columbia and other provinces but has been declared to be ultra vires the power of provincial governments. The legislation in itself is all right but it does not go far enough, as the farmers will soon find out.

As a matter of fact, the farmers, in asking for legislation of this kind, have arrived at the stage the working men of this country arrived at when they began to organize into trade unions. The farmers have arrived at the trade union stage, if you like. All they are asking for is a closed shop in agriculture. When this legislation came up in the province of British Columbia I was a member of the city council of Vancouver. Every member of that council opposed this legislation except myself. I took the position that I was a member of an organization that had a closed shop and what was good for me, was good for the farmer. Anyway, I felt he was entitled to it if he wanted it, whether or not it was good for him. I think the farmer will soon find out that no matter what legislation is passed, what really matters is the existence of markets. A union is beneficial to a working man only as long as he has a job; the minute he loses his job, a union can do very little for him. The farmer is in the same position. His cooperative organization will be of benefit to him as long as he is able to dispose of the products of his labour but when there is no market, his cooperative organization will not be of much benefit. However, I am sure that hon. members in this corner of the house will give the government every assistance in passing any legislation which will tend to improve the position of the farmers of this country.

The organization of a central bank is also mentioned in the speech. We in this corner of the house have been asking for this for many years. Our Liberal friends tell us that they are in favour of it and have been in favour of it for some considerable time. I believe that is so because I have in my hand a copy of a resolution which was passed at

the great Liberal convention held in Winnipeg in 1917. They were in favour of it at that time but they had nine years in office and did not do anything to give effect to the resolution which they passed. Some of my Liberal friends may have forgotten this resolution, so I should like to put it on record. It reads:

That, in the opinion of this convention, the time has arrived for the reorganization of the banking system of Canada, so as to bring it more nearly within the democratic spirit of proper regulation and control by the people, and with this object in view, be it resolved that:—

1. The banking system of Canada should be placed under the control and regulation of a banking commission invested with plenary powers in all matters pertaining to banking, currency, coinage and credits, and, in particular power to regulate and control:

(a) The issues of public currency;
(b) The coinage of gold and silver;
(c) The purchase of bullion produced in Canada;
(d) The amount of call money loaned outside of Canada;
(e) Interlocking directorates;
(f) The supervision of credits;
(g) The capitalization of banks;
(h) The payments of dividends;
(i) The relations of subsidiary trust and money-lending concerns to banks;
(j) And generally, all such matters that are necessarily incident to the proper regulation and control of banking and currency.

2. Be it further resolved in connection therewith there should be established a national bank of Canada, as a central reserve institution, upon whose board of governors should also sit, amongst others, ex officio, the members of the said banking commission; the objects of said national bank to include inter alia the primary responsibility of marshalling and mobilizing the gold and silver reserves of the nation and the ownership and control of the issues of public and national currency.

That resolution was passed unanimously at the Liberal convention of 1917. During their nine years in office the Bank Act came up for revision, but despite the fact that this resolution had been passed the president of the bankers' association was able to say that all the major amendments which had been made to the act had been sponsored by the association. This matter is coming up this year and I hope our Liberal friends will be a little more articulate in its favour than they were in 1923 when the Bank Act was last up for revision.

The speech from the throne tells us that we are being called together at a time of improving conditions when there are sound reasons to believe that permanent prosperity is near at hand. There may be a slight improvement in the economic condition of the Dominion of Canada, it may be said that throughout the whole world there is a slight improvement in the tempo of production and trade but I do not think there are any signs which would indicate that we are on the way to a return of what we have been pleased to call prosperity.

In the province of British Columbia the unemployment situation this year is very little different to what it was last year. As far as the city of Vancouver itself is concerned, it is costing more this year for unemployment relief than it did last year. For the two weeks ending January 17 there were 8,626 on relief, 184 more than in the previous two weeks, and the cost for these two weeks was $94,919, while the cost for the comparable two weeks in 1933 was $88,652. Taking the whole province, the situation is not materially better. There was a decrease of little less than 2,000 in the number of those on relief on January 1, 1934, as compared with those on relief on January 1, 1933. So that the situation as far as British Columbia is concerned is certainly not improving at a rate that would lead us to believe that prosperity is just around the corner.

The Prime Minister some little time ago honoured our city with a visit and made the statement that he did not want to leave a bankrupt country for the younger generation. It seems to me that if we do not do something for the younger generation, very shortly the danger will be that we shall leave a bankrupt younger generation to the country. This is the way the situation is developing at the present time.

The seconder of the address (Mr. Barber) in a complimentary way referred to the manner in which the city of Vancouver had dealt with the unemployment situation in the last year. The city of Vancouver has indeed had a difficult situation to deal with ever since the depression began. As pointed out by the hon. member, we have had far more than our share of Canada's unemployed, largely because of the milder climate on the Pacific coast. The city at the beginning of last year was faced with this situation, that it could get no further credit; it could not borrow money, and the banks insisted that it should carry on the activities of the city with such money as could be raised by taxation. We have done so, but those who have borne the brunt of that economy have been the unemployed and the children of the city of Vancouver. The municipal inspector of schools reported at the end of the year that there were four thousand school children in Vancouver in need of dental attention which could not be afforded since the school board was compelled to close the dental department on

March 31. The city of Vancouver has been able to care for its unemployed without further borrowings, but it has done so at the expense of the present and future health of the children of the city. But more than that, although Vancouver is the third largest city in Canada, we had one main library and a branch library, and the branch was closed altogether. The main library was closed for two months of the year, and for the rest of the year was open only during certain hours of the day. I do not think we need look with pride on the administration of affairs if we are going to curtail the cultural activities and those activities that are necessary to the health and well being of the people. There is nothing further I wish to say at this time except to remark again that it is regrettable that this government did not take advantage of this opportunity to bring forward legislation which would undoubtedly have the support not only of the house but of the country at large as well—legislation that would tend to raise the continually depressed and falling standard of living of the great majority of the people in this dominion.

Mr. A. W. NEILL (Comox-Alberni): I propose to use the short time at my disposal in presenting to the house and the government a brief statement of the situation in the coal mining industry, which is one of the largest in the district I represent. I have in my hand the record of output of the coal mines of Vancouver island for the last year. They produced in 1933 601,000 tons as compared with 749,000 tons in 1932, a decrease of 148,000 tons. There was a substantial decrease the year before. Of that 148,000 tons of shortage, I can tell where at least 32,000 came from; 22,500 tons were imported from Britain, which should not have been imported, and 9,300 tons came from the United States, which is just about the shortage in the Cumberland mine situated in my district. The shortage there was 36,300 tons.

I obtained the other day a return showing the amount paid by the government under the bonus system they inaugurated a couple of years ago. The quantity on which bonus was paid was this last year 53,904 tons as against 72,284 tons the previous year, and the amount paid in cash, at 50 cents per ton, was this year $26,952 as against $36,132 the year before. That was all for bunker coal, on which the bonus is 50 cents a ton. It will be recalled that the government granted a bonus of $1 a ton for export coal, but I am sorry to say that this last year, as the record shows, no advantage was taken of that. In the previous year there was 600 tons but this year there was none. The Minister of Mines will remember, as I remember, very definite and positive assurances that were held out to us that if this bonus of $1 a ton for export trade could be obtained there was little doubt that it would develop into a trade of about 50,000 tons. The responsibility for what has happened lies elsewhere. It is not the fault of the minister, and possibly it is nobody's fault; it may be merely a misfortune. But there is certainly a great difference between expecting to ship 50,000 tons and not shipping any.

In the fall of 1932 I discovered that under the terms of the Ottawa agreements with Britain, coal was being shipped from Great Britain. That coal, I found to my astonishment, was being subsidized by the British government. I do not know and I have not been able to find out the extent, but I have positive knowledge it is subsidized under the Coal Mines Act of Great Britain. It is further subsidized by what might be called ballast rates. That is, ships are coming here to get wheat and lumber under the imperial conference agreements and often, rather than come out in ballast, they take coal at what is practically the same cost. This runs about one-third of what the regular rate would be or what the rate is on the homeward run.

Last year I protested in the house against this situation and I was told that it was easy to find fault and was asked what remedy I could suggest. I very promptly replied that the remedy was obvious and right in our hands, and that was the imposition of a dumping duty. That was in March, and along about the end of May the government announced that they were going to impose a dumping duty. With that childlike confidence in governments that has handicapped me in my political life, I went home and told my friends that everything was all right; that the government was going to impose a dumping duty. I should not have said that; I should have said that they were going to proceed mildly in the general direction of considering whether they would or would not do anything. That is what the government did, anyway. I have in my hand a clipping from an Ottawa newspaper, I think the Ottawa Journal, and of course it must be right. The article is headed:

> Action is taken to stop dumping bituminous coal. British producers invoiced coal at below market prices.

The article, which is quite a long one, says that the government has been aware of the situation and is going to stop it. It stated that this coal is being brought out at very low prices and a case is quoted where the

difference between the fair price and the price it was being sold at for export was something like ten shillings a ton. It was stated that the government was going to charge a dump duty equivalent to the difference between the invoice price and the minimum price in the zone where the coal came from. It was said that this would not yield much revenue but it would have the effect of keeping our British Columbia coal market for British Columbia, which, of course, is desirable.

Later on the government issued a circular to their customs agents to the effect that they had reason to believe that coal was being dumped; they gave a list of the minimum zone prices in Britain and suggested that their agents should use that in arriving at the dumping duty. I might explain what the zone system is. The British Coal Mines Act divides Britain into zones and fixes a minimum price under which coal must not be sold in the different zones. Mark you, this is a minimum price; they can, if they like, go much higher. This article bears all the impress of being genuine and having been obtained from some authoritative source. In one case the National Revenue office was quoted as being the authority, although I must say in fairness to them, they denied it. At any rate, it was shown in this article that while the minimum zone price was about fourteen shillings a ton, coal was actually being sold at ten shillings for export to Canada and at eighteen shillings for use in Britain. This price of ten shillings was, as will be observed, eight shillings below the regular selling price in Britain, but the government did not take any notice of that. One would think that the difference in price would mean a dump of eight shillings a ton, but the government told their agents to use as their guide the minimum prices quoted in Britain and apparently that is about all they did. The best information I have as late as November 9 is that no dumping duty had been applied at that time. I do know, because I was told, that the first 9,637 tons got in free—rather a poor start. Might I say, nothing was done—Perhaps I am not justified in saying that but I can say this: I do not know and if the question that I asked yesterday is not answered, when shall I ever know?—if the government have power to impose a dumping duty and not reveal the extent of it. This puts one in a very awkward position.

I want to turn for a moment to the question of anthracite. This last year 3,626 tons of anthracite were brought in, valued at $16,929, which works out at $4.68 a ton, or, in other words, the best coal in the world valued at about $4.70 a ton. Can our friends in Nova Scotia with their bituminous coal mines and we with our deep coal mines compete with that? Further than that, according to the British agreements, the anthracite coal is liable to no regular duty. When I learned that, I said: Well, then, there are various forms of dumping; we will apply under section 6. I said: Why are you not applying section 6? Section 6 is one the minister can apply in order to impose a dumping duty. The answer I received was: Yes, but anthracite coal does not come under that section, because a ruling has been made that anthracite coal is not of a class or kind produced in Canada, and therefore section 6 does not apply. It is very easy to give such rulings, but it is not so easy to justify them. It is not correct to say that anthracite coal is not of a class or kind produced in Canada. That is all that is the matter with that argument and if it is not true, it should not be adduced.

Mr. YOUNG: Where is anthracite produced in Canada?

Mr. NEILL: In Alberta at Anthracite, near Banff. I have before me the records provided by a government department of the production for the last six years. It runs about 900 tons a year; the mine is a small one, I admit. Possibly the demand out there is low or the coal hard to dig, I do not know, but if it suited some manufacturers in the east to say that goods were being produced in Canada, they would not have to produce 900 tons of it; if they produced three dozen, that would suffice. I think I could quote an instance that occurred not long ago where, for the purpose of obtaining a higher tariff, they erected a bogus factory in Canada and produced a few dozen or scores of articles. I submit that a production of 900 tons a year means that anthracite coal is being produced in Canada, and therefore when imported it should be liable to the dumping duty.

Failing in that, I turned to section 43 and I said: At least we have them there. This is a section where the minister, on being convinced that any article is being imported under conditions prejudicial to producers or manufacturers in Canada, can fix any valuation he likes, a fictitious one, of course, and he has often done so, fixing a very high one. I said: We have got them there; but, oh, no, I was then told that according to the British agreement, this section did not apply to anything coming under a British preference, so we were balked again. Therefore the situation is this: anthracite comes in subsidized by the British government, subsidized by a low freight rate which is practically that of ballast,

likely to be reduced still further very shortly, because the steamers are going to be subsidized by the British government, paying no regular duty, no dumping duty although obviously it should be liable as it is produced in Canada, and with no valuation under section 43 because the agreement so states, and this may result in British anthracite flooding our market. It is true that only 4,000 tons were imported last year, but our market is wide open to the British as our defences are down and we have no protection whatever because of the conditions I have mentioned and of cheap labour in the old country.

To turn to bituminous coal again on which the importation is greater under the Ottawa agreements there is a duty of thirty-five cents instead of seventy-five cents a ton which is what we pay when we ship our coal to the country to the south of us. It too is subsidized in just the same way, allowed to use the minimum zone figures instead of the real price at which it is sold at home, and by low freight rates and all the rest. There can be a dumping duty put on bituminous coal, that is what I am pleading for to-day, and that is what I wanted information about yesterday. They allowed 9,000 tons to come in free which gave them a good start. Let me give an illustration of how vigourous this development is going to be. I have in my hand a number of advertisements of coal:

> Best South Yorkshire hard coal, low ash, high heat, order now.

Here is another, a great big thing that must have cost quite a lot of money, making all the standard arguments in its favour, by a company which has all kinds of money behind it, and branches all over the world; if it once gets a footing in the British Columbia market it will be very hard to dislodge. It may be said: "Oh well, it is not much after all." But isn't it? It was 1,100 tons the year before and 23,000 last year, an increase of something like 2,200 per cent—rather a substantial increase in these days of declining trade. That is why I am so anxious to find out whether the dumping duty is imposed on this coal, and if not, why not. As I say, the last I heard, in November, was that they were going to get an analysis of the coal. Well, when it is coming in at the rate of 23,000 tons a year, if they just begin to get an analysis, it will be six months before they get around to putting a dumping duty on. Then I asked what amount was paid under this head, and I am told that to give the information would disclose private business. How could it? All I asked was to know the amount of dumping duty paid; not paid by Jones, or Smith, or any individual, nor the percentage, but only the amount of dumping duty. The answer could have been $50,000 or $10,000, or it could have been $4 a ton; would that betray the private business of anyone? Would it betray the price at which they bought the coal or the real price in the old country? It would do none of these things; it would be only a record of what the government collected. If the Minister of Public Works lets a contract for a wharf, it is always open to us to ask such particulars, and he always readily and cheerfully answers, telling us not only who got the contract but all the people who bid for it, and what the detailed estimates were, not only of the man who got the contract, but of the other men who also bid. Any of us can ask for that and get it. Is not information of that kind much more private business than to know whether an aggregation of importers paid dumping duty on this 23,000 tons and if so, what amount? The Prime Minister said he thought it should be given if imported by more than one man; it was, but even if it had been only one it would not reveal his private business. Another point that makes it so objectionable is that it is such a dangerous precedent. Where is it going to end? My friend and I are competitors in the coal business; he cuts prices, I want to know why. I say; I wonder if he is paying dump duty—I know I am. But I have no way to find out. The dumping duty can be put on and taken off, there is no way to find out whether I am getting a square deal or whether he is.

It may be suggested: Oh well, I am playing politics. Nothing of the kind. Several members of the cabinet know that on several occasions I have take action very different from that, when I could have made a lot of political kudos by not dealing directly with them. Here is a telegram which I find in a return I got the other day; it was sent by the secretary of the Mining Association of British Columbia to the Prime Minister:

> Coal operators here all of whom are members of this association fear that budget proposals designed to protect and assist the British Columbia coal industry will not only fail to accomplish that purpose but will have a contrary effect and cause irreparable injury.

Here is a letter from the Hon. N. A. McKenzie, Conservative Minister of Mines in British Columbia at that time. He writes to the Minister of Mines and says:

> —but I am afraid that the budget's coal policy will injure more than it will benefit the coal business of this province.

He was then a Conservative cabinet minister, so he was not saying it for political effect. That is the way this is regarded out there by men in a position to judge. I am not arguing the merits of the dumping duty system at all; it is often abused and will be again, but we have the system and we are entitled to the benefit of it. We have a high tariff; we have had for some years, and it is alleged by many people in the west that it was imposed simply for the advantage of the eastern manufacturer. I am not saying that, but I say that is often thought and said. If that is the case it peculiarly becomes those who father this tariff, and who support it, to be very careful to see that it is properly and legally applied for the benefit of the natural producers in the west. Suppose it had been shirts or shoes coming in; I do not think we should have had to wait until the equivalent of 20,000 tons came before they began to think of taking some action; until a powerful British corporation had got a vested interest started in British Columbia. You know how hard these vested interests kick if there is a proposal to put them out of business; we would have the British government complaining that we were not playing the game under the Ottawa agreements. Our right to use the dumping duties is one of those compensating adjustments which the Prime Minister spoke of some years ago, and quite properly so. I would urge that the dumping duty be put on to the full, not playing with some minimum zone thing, but on the difference between the fair price at which it is sold at home and the price it is sold at for export. Remember that as a result of the imperial conference we are compelled in British Columbia to compete with coal which is (1) subsidized by the British government; (2) subsidized by low wages; (3) subsidized by low freight rates, practically ballast rates, and, (4) in the case of anthracite, given the advantage of paying no duty, no dump duty, a price of $4.70 a ton, and no possibility of raising the valuation; and in the case of bituminous, a low duty and the other advantages. We are paying part of the price of the imperial conference agreements. We have lost entirely the coal market that we enjoyed in the United States, just as we lost the lumber market we enjoyed there, not by any deliberate action of the government, but simply by what one might call the local incidence. I have no doubt that is what the Prime Minister had in mind when he spoke about compensating adjustments.

Mr. MANION: Had we not lost the lumber market in the United States long before the imperial conference agreements?

Mr. NEILL: No, certainly not.

Mr. MANION: I think we had.

Mr. NEILL: Well, I don't. There is this much to be said—and I want to be fair—when these ships come from Great Britain for lumber and wheat they are not all coal burners, most of them take some coal from us. That is to our advantage, but the report I read a few minutes ago shows that the bunkering trade is decreasing, so that phase cannot have done us much good. We pay in every direction for the high tariff, so let us share in the arrangements under the high tariff designed to let the producing interests keep the market. This is a chance, not for the manufacturers but for the actual producers, those who produce coal and lumber and fish—original producers, as I might say—it is a chance to give them a fifty-fifty deal.

We are entitled to the benefit of the tariff the same as the eastern manufacturer. He is quick to take advantage of a dumping duty; it is within his right, but why should not we? If I have any kick about that it is against the act, not against their action in taking advantage of it. It is there; it is the system we live under; we need it—God knows we need it badly in British Columbia to protect our coal market—and all we ask at the present time is that the government see that the dumping duty is put on. And I might express a mild desire to be told positively that it was put on and to what extent. I urge the government that the immediate and insistent need of the coal industry in British Columbia to-day, besides other remedies, is to have this dumping duty imposed speedily and steadily.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE AMENDMENT

Mr. A. U. G. BURY (East Edmonton) moved the second reading of Bill No. 5, to amend the criminal code (appeals).

He said: Mr. Speaker, I have already explained the purpose of this bill, which proposes two amendments to section 750 of the criminal code, dealing with appeals from summary convictions. The first amendment is for the purpose of providing that an accused person who has been convicted under part XV of the code, and who has been sentenced to a fine, may have the same rights, pending his appeal, as are already provided under the code for persons who have been charged with and convicted of a crime and sentenced to imprisonment without fine or to a fine and, in default of payment, to imprisonment. In either of these latter two cases the accused person can enter into a recognizance and remain at liberty pending the appeal, but the strange thing is that a person who has been convicted of an offence for which he is sentenced to a fine and not to imprisonment has to pay the fine immediately or he may be liable to an order for distress. The purpose of the amendment is to give him the right, pending his appeal, to enter into a recognizance and remain at liberty until his appeal is heard.

The second amendment would preserve to a person who has been convicted under the summary convictions part of the code the right of appeal notwithstanding that he may not, at the time of his conviction and sentence, have given an unequivocal indication of his intention to appeal. As the law now stands, and it has been settled very well by the cases, if a man is sentenced to a fine and, perhaps without knowing of his right of appeal, pays the fine and costs without giving an unequivocal indication of his intention to appeal, by that act he waives his right of appeal. If later, discovering his right to appeal, within the time provided, he lodges such appeal, he may be met by the crown when the appeal comes on for hearing, with the objection that he has lost his right of appeal. The purpose of the amendment is to preserve such right unless he has given some unequivocal indication that he does not intend to pursue an appeal.

I do not know that I can add anything more. I have the case law here if any hon. member wishes to be persuaded as to the accuracy of my understanding of the law.

Mr. STEWART (Edmonton): Does this just cover cases of convictions before a magistrate?

Mr. BURY: Yes, it just covers trials before a magistrate, summary convictions.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, personally I see no objection to the two amendments proposed in the bill now before the house, but when the bill was introduced a few days ago I took occasion to refer it to the law officers of the department, asking them to consider it and let me have a report. I do not think the report is ready as yet; at least I have not received it, and my suggestion is that the bill might be read a second time—because I think in principle it is right—and then allowed to stand in committee until I receive a definite report from the law officers of the department. If that could be done I would be obliged.

Motion agreed to and bill read the second time.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, at the outset may I extend my congratulations to the hon. gentlemen who moved and seconded the address in reply to the speech from the throne. That they performed their duties in a creditable manner was amply evidenced by the hearty response they received from their followers.

For my own part I have felt that in the house this session there is a determination to get down to the very serious problems that are confronting our people in a manner that shows a desire to deal with them in a definite way. I refer particularly to the address of the hon. member for Labelle (Mr. Bourassa) a few days ago, during the course of which he asked for cooperation and the general sympathetic consideration by all members of the house of the problems now facing us. I was in hopes that this sentiment would continue to prevail throughout the session, and I think there has been some evidence that we are making progress in that regard; I believe a determined effort is being made to approach the problems ahead of us with an open mind in an effort to relieve the distressing conditions which exist throughout the country.

I was disappointed, however, when I listened to the speech of the hon. member for Lanark (Mr. Thompson), which left the inference with me that the people of eastern Canada felt that they were becoming unduly burdened because of conditions in western Canada. I think that is unfortunate, and I

hope that spirit is not general throughout the east. After all, many of the people in western Canada are blood relatives and kinsmen to the people in eastern Canada, and it was hoped that a spirit of sympathetic cooperation could continue to exist between the east and the west. I do hope that the sentiments expressed by the hon. gentleman are not generally held in eastern Canada. I think his remarks were very well answered by the hon. member for Regina (Mr. Turnbull) a few nights ago. He gave evidence as to the situation that actually exists in western Canada, so I do not think there should be any doubt as to what the west is actually attempting to do under very trying circumstances.

In that regard, Mr. Speaker, I should like to go a little further and indicate some factors which particularly affect the situation in the west to-day. After all, eastern Canada has gained a great deal from the west and the west has meant a great deal to the east. I think it is well to recall to the house that many business institutions, financial houses and other organizations which have their head offices in the east depend to a very large extent on the west for their well being. That applies particularly to our banks and other financial institutions as well as most of our manufacturing concerns. In the west we have also a seasonal condition which is very extreme, and which brings about other conditions that are difficult to deal with. This was a new country; it developed rapidly, and that rapid expansion probably has been responsible for the heavy borrowings that have been made. These things will adjust themselves, however, when conditions in western Canada improve.

Just in this regard, so that the picture may be more vividly brought to the minds of hon. members of this house, I should like to refer to a few matters of particular importance to our western provinces. For example, I have before me a statement showing the total value of the field crops by provinces for the years 1928 and 1933:

Total, Values of Field Crops in Canada, 1928 and 1933

	1928	1933	Per cent Decrease 1933
Prince Edward Island	$ 12,444,000	$ 8,841,000	28.95
Nova Scotia	18,824,000	11,385,000	39.52
New Brunswick	18,275,000	12,396,000	32.17
Quebec	130,363,000	67,524,000	48.20
Ontario	243,768,000	124,565,000	48.90
Manitoba	113,492,000	33,188,000	70.76
Saskatchewan	348,586,000	75,767,000	78.26
Alberta	220,786,000	76,153,000	65.51
British Columbia	18,465,000	12,118,000	34.37

Taking the three western provinces as a whole we find the reduced value of their field crops to be 78·1, whereas the reduction in the other provinces is only 38·6 per cent. Consequently hon. gentlemen will see what western agricultural conditions with respect to their main crop have really meant to the western provinces and can realize the effect those conditions have had on the purchasing power of that section of the country.

One could give the figures for live stock. Just in passing I might mention that in Saskatchewan the capital value of live stock in 1932 was $63,000,000, as compared with $146,000,000 in 1928, a reduction of 56 per cent; Alberta $53,000,000 in 1932 and $120,000,000 in 1928, a reduction of 56 per cent; Manitoba, in 1932, $29,900,000, and in 1928 $70,500,000, a reduction of 57 per cent.

Take minerals, to which I shall not refer in detail except to say that, so far as Manitoba is concerned, it is the one bright spot on the horizon. Manitoba's mineral production has increased in value from $4,186,000 in 1928 to $8,714,000 in 1932, an increase of 108·1 per cent. In Ontario there was a reduced value in mineral production of 20·1 per cent. As I say, that is really one of the bright spots so far as Manitoba is concerned.

With respect to fisheries the value of the fishery products of British Columbia in 1928 was $26,500,000, and in 1932, $9,900,000, a reduction of 62 per cent. Here again Manitoba is particularly interested. We find that the value of her fishery products, which in 1928 was $2,240,000, had gone down in 1932 to $1,204,000, a decrease of 46 per cent. Ontario had a similar reduction. Manitoba and British Columbia depend to a large extent on this product.

Lumber and sawmill products are of importance particularly to British Columbia. We find that their value was reduced from $62,500,000 in 1928 to $26,831,000 in 1932, a decrease of 57 per cent. Here again Manitoba has suffered a considerable loss in the value

of these products, falling from $2,045,000 in 1928 to $547,000 in 1932, a reduction of 73 per cent. Consequently, Mr. Speaker, you can realize that the monetary returns from these natural resources of the western provinces have been very materially depleted so that it has been impossible for them to meet their obligations in the manner in which they were accustomed to do in the past.

Reference has also been made to the financial situation of our various provincial governments. It has been suggested that they have been giving too many public services, and that they were unable to pay for them. I want to place on record what the government of Manitoba has been doing in the last three years. In 1931-32 the cost of the controllable services in Manitoba was $9,070,000; in 1932-33 $8,218,000; in 1933-34, $6,852,000. The total reduction in controllable expenditures in Manitoba in 1933-34 as compared with 1930 has been 30·1 per cent. I hope the people of eastern Canada will realize that the government of Manitoba, and the same can be said for every provincial government in the west, as well as for the municipalities and other public bodies, has been making a very definite attempt to curtail expenditures just as far as it was humanly possible to do so. When a reduction of 30 per cent in controllable expenditures of any province is made within three years, I think it will be admitted that they are doing their level best to meet the situation with which they are faced. So I would like to disabuse the mind of my hon. friend from Lanark who suggested that western Canada is not attempting to do her part in carrying the obligations which have been placed upon her. Western Canada, if given the opportunity, will come back and will be that great, open market for the products of eastern Canada when times and conditions improve. I hope that our eastern friends will lend a hand in giving the west that sympathetic cooperation which it is entitled to receive as a part of this great dominion.

I wish now to direct my remarks to a few things which were said by my very good friend from Souris (Mr. Willis) in the rough and tumble speech which he made the other evening. He seemed to be particularly concerned over the political designation of some hon. members on this side of the house. Personally I am not very much concerned what I am called so long as I am not called a Tory. I would much prefer to be called a Liberal-Progressive than a Liberal-Conservative. To me the calling of a person a Liberal-Conservative is stretching the point just a little too far. The points of view of Liberals and Conservatives are so much in conflict that one wonders why such a title should be maintained. Perhaps my hon. friend from Souris is beginning to realize the ridiculousness of his situation when he attempts to get himself known as a new type of Conservative, as reported in the speech he made a few days ago.

My hon. friend from Souris in his speech the other evening made a very interesting admission, one which I am sure his constituents will not look upon with favour. Referring to tariffs, he said the other evening:

We in western Canada—

I assume he means the Conservatives—

—accept the inevitability of protection because we know that in the St. Lawrence basin there is to be found fifty-five per cent of the Canadian population.

I am rather surprised that he should let a slip like that go by. Personally, I do not accept the inevitability of protection, and I propose to use what little influence I have in attempting to show the people of Manitoba just what tariff protection means to them. My hon. friend then harped upon the theme he has been expounding in this house for some time and attempts to prove that tariffs were lower under the Conservative administration than they were under the Liberal. In so doing he takes the value of goods imported together with the actual amount of duty collected thereon, and from that he tries to establish an average ad valorem rate of duty. He knows his statement is fallacious and misleading to the highest degree.

I have taken the trouble to look up some figures in this regard and I propose to set them out. The year 1922 was really the last fiscal year in which the policies of the Conservative party were in effect. I find that the total imports for that year were valued at $747,800,000, and the duty collected thereon was $121,480,000; 1930 was the last year in which Liberal policies were in effect for a full fiscal year. The total imports for that year were valued at $1,248,000,000 and the duty collected was $199,000,000; 1933 is the last fiscal year in which the policies of the present Conservative government were in operation. The total imports for that year were valued at $406,200,000 and the duty collected was $77,000,000. If we deduct the value of alcoholic beverages and the duty collected thereon, we find that in 1922 the ad valorem rate of duty collected was 15·3 per cent, while in 1930 it was 14·5 per cent. In 1933, we have to add an excise tax of three per cent upon the duty paid value of the goods imported, which brings the ad

valorem rate for 1933 up to 21·9 per cent. The calculations made by my hon. friend are a bit astray.

In addition, he leaves out many things which he knows should be considered in arriving at a fair calculation of a tariff structure. He knows that there are several factors which should be considered if one is to be fair in this matter. He knows that if a high rate of duty is placed against goods, they are shut out of the country, the only goods that will come in are those classed as luxury goods which pay a comparatively high rate of duty compared to their actual value. He knows also that under our system of ad valorem and specific duties price changes affect materially the amount of customs duties collected as compared with the value of the goods. He reviews a period of declining prices and compared it with a period of rising prices in an effort to make people believe that he was working out a fair average of tariffs.

Let me illustrate what I have in mind. I will take an extreme case, such as 100 tons of steel rails valued at $50 per ton and paying a specific duty of $5 per ton. The value of these goods would be $5,000, the duty collected would be $500 and the ad valorem rate would be ten per cent. But assume that prices have changed and the same 100 tons of rails are valued at $25 per ton, a total value of $2,500. The same specific rate applies. The duty collected is still $500 but the ad valorem rate has increased to 20 per cent. I assume my hon. friend would say that this represents an increase of 100 per cent in the tariff. He did not take into consideration the period of great industrial expansion which we had during the war when a large amount of raw material came into the country at a very low rate of duty or free of duty and was later reexported. My contention is that it is impossible to compare the ad valorem rates of duty on goods coming into this country at any particular time with the rate on goods coming in at another time.

I should like to give the actual tariff rates which applied on certain classes of goods which are of particular interest to western Canada as a whole and to the people in the constituency of my hon. friend as well. For example, take mowers, binders, reapers, cultivators, harrows, horse-rakes, seed drills, manure spreaders and weeders. In 1921 the British preferential rate on this item was 12½ per cent; the intermediate rate was 12½ per cent and the general 12½ per cent. In 1930 the British preferential rate was free, the intermediate was 6 per cent and the general 6 per cent. In 1933, the British preferential was still free, but very little if any of this class of goods is brought in from Great Britain. In that year the intermediate rate was 15 per cent and the general, 25 per cent. The greater proportion of these goods come under the general rate. The same thing applies to plows and threshing machines. In 1921 the British preferential rate on this item was 12½ per cent; the intermediate, 17½ per cent and the general, 17½ per cent. In 1930 the rates were free, 10 per cent and 10 per cent and in 1933, free, 15 per cent and 25 per cent. The same thing applies to nearly all other classes of farm machinery brought into the country. In the case of spraying machines, fruit and vegetable grading machines, pruning hooks and pruning shears, in 1921 the British preferential rate was 12½ per cent, the intermediate 20 per cent and the general 20 per cent. In 1930, the rates were free, 10 per cent and 10 per cent respectively while in 1933 they were free, 15 per cent and 25 per cent. In the case of well drilling machinery of a kind not manufactured in Canada, the rates for 1921 were 15 per cent British preferential, 25 per cent under the intermediate and 27½ per cent under the general. In 1930 the rates were free across the board. In the case of machinery for concentration of ores, in 1921 the British preferential rate was 15 per cent; intermediate, 25 per cent and general, 27½ per cent, while in 1930 the rates were 10 per cent, 15 per cent and 20 per cent respectively. Mine hoists, of a class not made in Canada: in 1921 the British preferential rate was 15 per cent; intermediate, 25 per cent, and general 27½ per cent, while in 1930 the rates were free, 5 per cent and 10 per cent respectively. In 1921 the rates on engines for fishermen's boats were British preferential, 15 per cent; intermediate, 25 per cent and general 27½ per cent; in 1930 under the British preference they were free; under the intermediate tariff 12½ per cent and under the general 15; and in 1933 the figures were free, 12½ per cent and 15 per cent. I could enumerate a large number of others. Hon gentlemen will recall that a duty of 25 per cent was placed on cream separators and 10 per cent on barbed wire. I do not think therefore that my hon. friend's tariff averages will amount to much when he tells the people the tariffs that have been imposed specifically on the various articles in the tariff schedule, particularly those affecting the farmers of western Canada. That is my point. The averages do not signify anything but merely confuse the whole issue so that people do not thoroughly understand it. One should at all times give the actual rate of duty if one wishes to be

fair in this regard. I should certainly expect that the hon. gentleman would be just as much interested in making it possible for the farmers of the west to receive their goods at as low a cost as possible, instead of accepting the inevitability of protection. I suppose he means by that that he is not going to labour the matter very much inasmuch as he realizes the preponderance of population in eastern Canada to be the determining factor in such matters. For this reason he is going to be content to let the inevitable continue. Personally I am not going to take that position; I refuse to accept the inevitability of protection in this regard. I propose to use all the influence I have to bring about a reduction in tariffs. Surely the hon. gentleman must realize that even his leader admitted the injustice of the tariff when he introduced the five cents per bushel bonus on wheat, describing it as a compensating adjustment for western agriculture. Instead of accepting the inevitability of protection with respect to tariffs; he should take his place alongside the hon. member for Selkirk (Mr. Stitt), who made a courageous speech in this house the other afternoon, he would then be making a real contribution to the house and to the country.

I wish now to direct my remarks to the wheat agreement. I view this agreement a little differently to the way in which some hon. gentlemen in this house regard it. I do not think anyone likes the agreement; I do not think that even the government likes it. I do not see how any person in Canada can view with favour a reduction in wheat acreage. More than that, in my opinion it does not matter whether the agreement is made effective or not; natural causes will carry out the purpose of the agreement whether it is adopted or not. Moreover I cannot see that we are going to be able at the rate of shipments to-day to come up to the quota allowed under the agreement this year, namely, 200 million bushels, without forcing sales and thereby depression prices. So far no machinery has been set up to handle it, and apparently it will be left to take care of itself, so that we shall still have a large carryover next year. In 1934-35 we are to have a quota of 15 per cent less than the average of 1931-33, which is estimated to give us a quota of from 263 million to 294 million bushels. I still feel that we shall have difficulty, in shipping this quantity of grain even in that crop year. So that we are likely to arrive at the end of 1935 still holding a considerable quantity of wheat.

I doubt whether the quota system so far suggested can be worked back to the farmer, and if an attempt is made to carry it out it will require a terrific amount of supervision to carry it out. On the other hand, if I could be convinced that this wheat agreement would be lived up to, not only to the letter but in the spirit, by all the countries subscribing to it, and if it could be demonstrated to be a step towards a genuine form of international cooperation, then I think that Canada should play her part in the matter. But I do think that the machinery so far suggested is not sufficient to carry out the agreement. It seems to me that it will be unfair to the producers if an attempt is made to carry it out without some additional machinery in the form of a national marketing organization. Suppose we come to the end of the crop year 1935, when the agreement expires, and our own crop is going on the market. We might have a big crop in this country and the tendency might be to keep prices down. If it were found later on, through the working of the agreement or otherwise, that the world's surplus of wheat had been considerably reduced, with the resulting increased prices later on, we should find this situation then, that the farmer would be delivering grain in the fall at low prices while someone else would be getting the advantage of the later increase. The same thing happened in connection with the London agreement with respect to hogs this fall. I saw many farmers last fall delivering hogs at 4 and 5 cents per pound, only to find when the agreement became more effective, hogs increased in price to almost 9 cents per pound on the Winnipeg market. It is hardly fair to place one class of people in a preferred position, leaving another class subject to the ordinary fluctuations of prices when normal conditions do not prevail.

There are several other factors in regard to which I think it is particularly necessary for us to have information before the agreement is implemented. For instance, I should like to know on what basis the figures have been calculated as affecting other countries entering into this agreement. I think it is also essential to know just what the situation is as regards rye. Wheat and rye go together so far as the old country production is concerned. I am told that the rye production in the European countries has been materially reduced at the expense of wheat. Now, if they reduce wheat, what will they do with rye? In my own province there is durum wheat to be taken into account. I presume it is included in the total amount contemplated in the agreement. Durum is used for different purposes. I am told that the Italian

people in particular are making very high class macaroni and spaghetti products out of our durum wheat, whereas our Canadian manufacturers of similar products are continuing to use our ordinary wheat.

The other day the Prime Minister showed to the house a poster from France indicating, that the French people were attempting to carry out the spirit of the wheat agreement. I am prepared to accept that. I also saw that poster some time ago and I am told that in addition to placing that poster in all the post offices throughout France, the French have enacted legislation whereby they will penalize any farmer who breaks up any new land and sows it to wheat. If that step has been taken with the idea of carrying out the spirit of the agreement, well and good, but we should watch very closely to see whether that is the situation. I accept in good faith the propaganda they are putting out, but we all know the people of France are to-day beginning to protest against the high taxes they are paying because of the high duties imposed on wheat, so that these matters must be watched carefully.

There are other matters that should be kept in mind in the carrying out of this agreement. It is not sufficient to let it work alone; we should at all times be endeavouring to find new uses for wheat. I am told on good authority that, for example, in this country 35,000,000 bushels of wheat are being fed to poultry. One can hardly realize that such a quantity could be used for that purpose. There must be other uses to which wheat can be put and may I say to the Minister of Trade and Commerce (Mr. Stevens) that a very definite effort should be made to popularize the use of wheat throughout the world. Other concerns who are using other kinds of food products put on extensive advertising campaigns to demonstrate new uses for the different products they have, yet I have failed to see any definite or constructive effort to sell wheat or to popularize it in other countries or even in this. Would the General Motors company be content simply to send its automobiles and trucks over to Liverpool or some other market and leave them in a warehouse there hoping the people would come in and buy them? Certainly not. We must get a definite, active campaign started to popularize the use of wheat and make everybody eat just as much of it as possible.

I wish to repeat that if an attempt is going to be made to carry out the wheat agreement there must be added to it or made a part of it some form of national marketing organization. I would hate to see the marketing of grain left to a wide open speculative system and the farmer subjected to the abuses that might follow it. I know it will be difficult to carry it out; I am afraid the situation at the present time is such that there may be a disposition at least on the part of some, because of what has been happening, to increase rather than to decrease their acreage. On the other hand, however, I feel that at least for this year it is not going to be necessary actually to set up any machinery to carry out the wheat agreement, the simple reason being that natural causes such as drought, grasshoppers, lack of feed and lack of power to put in a crop, will reduce the acreage to the desired extent.

Reference is made in the speech from the throne to the creation of a central bank, all parties being agreed on such a policy. I do not in any sense feel competent to deal with a matter of this kind, but there are two points that stand out strongly in my mind with regard to it. In the first place, if our monetary policy has such a vital effect on the livelihood and welfare of the people, it seems logical that our currency should be nationally controlled. Secondly, with all the ramifications and the sad experiences that Canada has had in the field of international exchange in the last few years, it would seem proper that we should have a national bank to speak for all of Canada, with respect to international monetary affairs. I feel, however, some people have received a wrong impression on what a central bank will do; there are some who think that simply by the establishment of a central bank, credit will be easier for them. That is not the case. A central bank, government owned, will have to conduct its banking business on just as sound a basis as our private banks have done in the past. The creation of a central bank will not make interest rates any easier for the ordinary individual, and as long as government and other public bodies continue to pay high rates of interest, just so long will the individual have to do likewise.

Another important matter that arises in connection with our banks is this: many directors are also directors of other corporations. I am just wondering if the ordinary individual receives the same consideration as that accorded to these other corporations. It is important that that point should be brought forward. Further, the inference has gone abroad that the lack of bank accommodation, particularly to farmers, has been because of heavy losses that those institutions have taken in the agricultural business. In the revision

of these bank charters the situation with respect to bank losses should be definitely brought out because I doubt very much whether their losses have been sustained in the agricultural business.

Mr. ALPHONSE FOURNIER (Hull) (Translation): Mr. Speaker, I am very pleased, indeed, at the outset of my remarks on the address, to have the opportunity of extending my sincere congratulations to the three members elected since the last session. If we glance over the various sections of this country, we note that the people seem to be unanimous in censuring the policy of this government. In Saskatchewan, the Conservatives have almost been entirely wiped out; in the constituency of Mackenzie, the party to my left has been crushed and a Liberal has been elected by an almost incredible majority, in Quebec, the Yamaska election gave the same result; in the Maritime provinces, the Liberal candidate carried Restigouche-Madawaska by almost an incredible majority. This seems to be a harbinger of the people's feelings. The nation which had no opportunity, previous to these three elections, to express its wishes, has just given its verdict which condemns without a shadow of doubt the party in office, and in my opinion, the right hon. Prime Minister (Mr. Bennett) should in the near future appeal to the people. The members elected have always been Liberal, are highly gifted and appreciated by their constituency; I, therefore, associate myself with all in extending to them our sincere congratulations and our wishes for a brilliant career in the house.

Undoubtedly there exists a crisis the like of which has never been felt for a number of centuries. It is world wide and no country can boast of having escaped its consequences. We are passing through an era of change and evolution and all nations harbour in their midst, to-day, a restless element, dissatisfied with their lot, wondering whether to continue the capitalist system or adopt new ideas. In Europe, various nations have discontinued the parliamentary system to adopt either fascism of nazism or bolshevism or again other forms of government unknown in America. Within a year the United States themselves, without entirely doing away with the capitalist system, have thought fit to change it so as to give to the state a greater control over the economic life of the country, a control extending to trade, industry and to all other fields of national activity. In this country we have continued our capitalist system without change. In my opinion, it is still the best for a young country like ours, considering its relative situation; however, I admit, with many others, that the abuses of this system are responsible for the present state of things.

Undoubtedly, Canada like all other countries, suffers from depression and unemployment. All admit that we have unemployment. Perhaps, we disagree sometimes as to its spread; we certainly do not agree as to the remedies to apply in order to relieve the situation. Within the last three years, unemployment has certainly spread in our country. The only remedies have consisted in government loans, new taxation, in money expended on public works, contributions to distressed provinces or doles.

Public works were the first which the government endeavoured to apply, all know with what success. It was an exceedingly expensive method. Proportionately it gave the least results for the money expended in order to relieve unemployment. This method was dropped by the government in order to adopt purely and simply the dole system and charitable means.

To-day, the dominion, provincial and municipal governments carry on the dole systems, giving from hand to hand to those in distress. However, this system has very little improved the situation of those who are in want. I have but to point, as an example, to the city I represent to prove that, notwithstanding the large amounts expended in our midst to relieve distress, we are, more than ever, faced with unemployment and poverty. At the 1931 session, 2,000 persons, in Hull, were depending on government assistance. The number has increased to 6,500 within three years. Notwithstanding public works carried out, the number of unemployed has increased and will continue to do so, unless a remedy is found to bring new life to industries which give work to our people.

At present, in the city of Hull, with a population of 29,000 souls, we support 6,500 persons, at a cost of $30,000 per month, supplied by the Dominion and provincial governments and one-third by the municipality. We have no choice, we must make a loan of nearly $600,000 to meet the outlay necessitated by unemployment, public works and the funding of our floating debt. And I must confess that, at the last projected public sale of properties, the list comprised 841 properties to be sold for municipal taxes. This does not include vacant lots but only

houses. We have reached the point where certain property holders prefer demolishing their houses than pay their taxes or run the risk of having to pay higher taxes.

Do not imagine that I blame this government alone for such a state of things. The situation existing in Hull, is that, I think, of all other cities in the Dominion. It is the result of many past events, it is the consequence, probably, of the inconsiderate increase of the national debt, of our shortcomings, and I think it would be ridiculous to blame one man or a party for what we are reaping to-day. However, I believe that the party in office has not put into practice any policy which might relieve the situation or uproot the evil.

So far as unemployment, suggestions were made by both the Liberal party and the party to my left. The government did not follow these suggestions and has not succeeded in improving the situation. Why this obstinacy in refusing to appoint a federal commission, comprising the representatives of all public corporations, who are familiar with the conditions existing throughout the country, so as to cooperate with the Dominion, provincial and municipal governments in the distribution of relief, the methods to be adopted to find work for those who are unemployed and thereby improve the lot of those in distress?

As a permanent measure, the enactment of an unemployment insurance was often suggested. This unemployment insurance scheme has not been carried out or been considered or even communicated to the house, as a measure, by the government. It is, perhaps, difficult to put it into practice at a time of crisis. However, if we delay too long and prosperity returns, we shall soon have forgotten our present hardships and we shall pigeon-hole a measure which should be enacted in a country which seeks progress, in a young country like ours and which may become very prosperous.

The present act to relieve unemployment contains provisions in connection with the back-to-the land movement. This scheme can certainly be very helpful to those who, in our cities, depend, to-day, on the dole. Again, this evening I came across a last year's report on the subject. In Ontario, 329 families, comprising 1,763 persons were settled by the government on lands in New Ontario. Those who do not yet suffer from the get-rich-quick ailment—an ailment which seems to have spread in certain sections of our country —those who have sufficient courage to forsake city life so as to settle on new lands, will certainly find there, a home, fuel and food. If it be not a luxurious life, it is certainly a healthy one, the one our forebears were familiar with and which gave them the means of raising large healthy and bright families.

I am aware that it is difficult to persuade a great number of city folks to give up the easy city life to settle on lands and undergo the hardships of a settler; however, I think that the government, through advertising and giving greater assistance to those who wish to settle on lands, should endeavour to increase the number of those who are happy in the country. In Quebec, it seems that this return to-the-land movement is the one which benefits most of the people.

I, therefore, congratulate the government for having thought of setting aside an amount for the back-to-the-land scheme. However, I request the government to decrease, if not to completely eliminate the quota which municipalities must furnish in the settlement of these families.

The financial situation of towns in Quebec —I am not acquainted with the situation of towns outside of this province—is such that our municipal councils find it impossible, at present, to furnish one-third of the amount required to settle these people on farms. Both Dominion and provincial governments should, in my humble opinion, share the cost of settling these people. Colonization is not within the purview of municipalities, but of provincial and Dominion governments. Why then not unburden the municipalities of this weight, when they are almost faced with bankruptcy? I feel certain that the people of Canada would be grateful to the federal and provincial governments, if such a measure were enacted.

May I now refer to our trade. I shall not quote any figures, as numerous speakers who have preceded me have done so in their speeches. Statistics have their importance; however, it is said that they can be twisted as one wishes. I prefer expressing the views of the people, with whom we come in contact daily, in connection with the present situation, the way the country is managed and what is expected from our legislators. There is no doubt that, in value, our trade imports and exports have decreased by half. No one denies that. As to the figures, the Bureau of Statistics proves it beyond doubt. Has it decreased in the same proportion as to volume? Without quoting figures, I think the ratio is the same. If not, how explain the

considerable deficits of our transportation systems, either by water or railway? If the same quantity of goods had been carried during these last years, no doubt the revenues of our transportation systems would have been larger than they are. To Liberals and serious people, the cause of these deficits is necessarily to be found in the fact that the present tariffs have hindered the expansion of our trade abroad. Reciprocity was discussed last year; I trust that the government this year will negotiate such a treaty with the United States.

I have, sir, in my few remarks, endeavoured to express my views on present conditions. We take a great interest in all these problems and I trust this government will take the necessary measures to bring back prosperity to this country.

Mr. GEORGES BOUCHARD (Kamouraska): Mr. Speaker, in rising to say a few words before this largely depopulated house at this late hour of this parliamentary week it occurs to me to remark upon the fact that the government this year could not draw upon newly elected members in choosing the mover and seconder of the address in reply to the speech from the throne. Of course that is due to no mere whim of fate but rather to a decided expression of the opinion of the public at large. The government should not forget the old saying, after the three elections that have been lost, that three is a crowd. We all expect that the day will soon come when this will be demonstrated.

Both the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the motion have acquitted themselves well, and what they lack in ingenuousness they make up, perhaps, in political ability. They have demonstrated, it is true, a youthful faith in the policies of their government, a faith, however, which is not in keeping with the thought of the people at large.

My congratulations naturally go to the three newly-elected members. They have championed the rights of the people; they have championed Liberal thought, and they were all elected by large majorities, which is a sign of the times. The enticements of the spider which succeeds in catching the fly in its web are nothing in comparison with the enticing promises that were made during the last election to induce the people to vote for the Conservatives. Statesmen in these times I know are not sleeping on beds of roses. But instead of trying to apply some permanent cure to our diseases it seems to me they merely resort to all sorts of expedients, they are like a little boy playing with a yo-yo, drawing taxes up and letting them out again. The palliatives applied by the administration have accentuated the disease instead of curing it, and indeed no serious effort has been made to remedy the situation. The country is entitled to something more than mere palliatives. Those who have gained power through extravagant promises should not be surprised at evidence of an extravagant distrust on the part of the people.

I do not propose to deal at any great length, Mr. Speaker, with the different proposals contained in the speech from the throne. I shall not give any figures; as a matter of fact I think they have all been given. With his usual mastery of facts my right hon. leader (Mr. Mackenzie King) has dealt with this question in a very illuminating way, so much so that he has silenced my hon. friends opposite. The speech from the throne, in common with the four previous speeches, is a masterpiece of illusive statements and evasive hopes. The popular mind cannot be changed at once by glowing prophecies of instant recovery, without some more substantial evidence being offered. The supreme efforts of the government in its dying days—I hope—will not revive the public confidence so widely shaken by nearly four years of inefficient administration.

Perhaps you will agree with me, Mr. Speaker, when I state that the economic depression has brought about a greater intellectual ferment, with a natural desire for new ideas and a greater disposition towards the exchange of views. Unfortunately these new suggestions have not gained the support of the government benches, where a lack of cooperation is obvious. In their public utterances hon. gentlemen opposite charge us with a lack of cooperation, as though the official opposition were in power. Well, we are here to offer our suggestions and it is up to the government to put them into effect. With no desire to claim credit for a panoramic mind or a quack cure-all remedy I wish to express a few reflections at random, such as might be uttered by a habitant looking

over his country. Coming from the province with the highest proportion of spinning wheels and the smallest proportion of steering wheels I am bound to be rated as a traditional, not to say a fossilized, old-fashioned type, but it is clear to me that having regard to the impulse of industrial, commercial and financial forces the world today is a world in compartments, more mechanical than thoughtful. An attempt has been made to build sky-high a great industrial tower, a Babel, which has brought about a confusion of languages, and in all this turmoil the dominating voice is that of the bankers, who form a kind of moneyarchy. In this period of turmoil, which has been accentuated by this government, the financial man is speaking one language, the farmer another and the labouring man another, and with the present government in power there is very little hope for any complete understanding.

I realize, Mr. Speaker, that it is the duty of public spirited men to offer their contributions when the ship of state is struggling against a heavy sea. It is not only for the crew but also for the passengers—or the back benchers—to lend a helping hand. Unless capitalism, which is no evil in itself, is rationalized, socialized, humanized and ruralized we do not know where the ship of state will land. What I claim for agriculture is not for mere class advantage but for the good of the country. During this present crisis the farmers have given the world an example of fecundity, perseverance and endurance, but with the policies of this government complicating the situation the future is very cloudy. By increasing the tariff this government has increased the price of practically every commodity the farmer has to buy and has made it more and more difficult for the farmer to trade with the world. The tariff on cream separators, barbed wire, fertilizer, cotton goods and so many other commodities has not been put there to help the farmer. A government which allows manufacturers to pile up dividends in the face of farmers putting in long hours of labour on the land should not be surprised at the results of the recent by-elections.

The other day when the hon. member for North Winnipeg (Mr. Heaps) was so ably winding up the debate on his motion for shorter hours of labour I was reflecting on the force of his arguments, which were not less convincing than those advanced by the hon. member for Kenora-Rainy River (Mr. Heenan). I am convinced, Mr. Speaker, that shorter hours are bound to come with the ever increasing efficiency of machinery, but this is only one feature, and it should be interwoven with a scheme which at the same time would afford similar advantages to the workers on the soil. Let us get all the protection possible for the manufacturers, also all possible advantages for the labour men, such as shorter hours, a minimum wage, unemployment insurance, and so on. To all these policies I do not object at all, but if, while the government is applying these policies, the farmer is neglected by the government as he is at the present time, the evils from which we are suffering will only be increased. Today the farmer is over-neglected and the manufacturer is over-protected, and what is the final result? The present crisis, I submit, is more than anything else a question of unemployment, and unemployment is a result, more than anything else, of a disinclination to the land. But what is worse, this government, not satisfied with having plagued the farmer with high tariffs, taxes on sugar and postage stamps, sales taxes and so on, is asking the farmer to pay for that for which he is not responsible.

I think you will agree with me, Mr. Speaker, that unemployment is a by-product of industry, and now the government is turning to the farmer and asking him to pay his share of the unemployment in industry. Professor H. E. Armstrong writes in the Sunday Times of recent date:

> We have too long made manufacturing industry the prime object of our national being. We have largely sold man's birthright, agriculture, for no mere mess of potage, but for mechanisms with which we can accomplish almost anything that we desire to do, even to the extent of making ourselves all but unnecessary. We call this rationalization. Nothing less rational could well be.

We have deprived the farmer of his markets by our excessive tariffs and are now asking him to pay a large share of the taxation to cure unemployment. But that is not all. While the government of my province has spent up to the end of the year 1932 over $150,000 in premiums to the farmers to help them buy fertilizer, at the same time this government imposes a tax in the form of a tariff on the fertilizer which the farmer uses when it enters this country manufactured. I agree with Professor Albert Einstein who,

addressing the students of California Institute of Technology, as reported in the New York Times of February 25, 1931, said:

> Why does this magnificent applied science which saves work and makes life easier bring us so little happiness? The simple answer runs, because we have not yet learned to make sensible use of it.

I am not against progress, science or mechanical development, but we must make a very wise use of these things. I am not in antagonism to the interests of labour and of the city dwellers. Far from it; I invite them to realize as has been said authoritatively, "not charity alone but fraternity is indeed calculated to remove the mountains of misunderstanding that all too often divide us."

In a review of a book recently written by Mr. Wallace Brett Donham I read:

> Migration of farmers to cities will go on in view of the enhanced competition of foreign agricultural producers and the effect of better farm machinery, but industry will not offer indefinitely increased employment either to them or to others, because the technique of production is likely to keep up its advance even at an accelerated pace. The wants of the population will lag behind productive capacity since new articles or inventions for popular consumption will not be found in sufficient number or make their way to popularity quickly enough to take up the increasing capacity of industry.

Sooner or later, and I think the sooner the better, with the ever increasing efficiency of machinery, we will have to turn to the land in order to find occupation for our unemployed. We must turn to the land not only for the benefit of those who are now unemployed in the city. But before dealing with that question further I should like to illustrate by a few examples the discrepancy that has always existed between this government's treatment of the rural population and of the urban population.

In my constituency, where my people have contributed a large share of the revenues of this country, what is happening? We have contributed all sorts of taxes. We have a few hundreds of unemployed. But are they taken care of by this government? We have three projects in view at the present time. The first is in connection with the wharf at Riviere Ouelle. For many years this wharf had been kept in good repair. It was very necessary for this constituency but it was partly destroyed by a storm. We expected that this matter would receive some consideration from the government, but it has not. On many occasions when the estimates were being considered I have reminded the Minister of Public Works (Mr. Stewart) of the necessity of repairing this wharf. I have written a number of letters which I shall not take the trouble to read to-night. Notwithstanding all this, nothing was done. Under the good administration of the previous government there used to be something like $20,000 spent in my constituency. The expenditure of this money took care of the floating population of labour.

The second project is in connection with the draining of the Riviere Ouelle peat marsh. When this marsh is cleared and properly drained it will allow for the cultivation of about 5,000 acres sufficient to take care of from 25 to 30 families of unemployed. We asked the government for a little help in this connection but for some reason it was cancelled.

The third project had been approved by the provincial government and had been submitted to the consideration of the Minister of Labour (Mr. Gordon) under schedule number 34. I refer to the straightening of the roadway, the building of culverts and so on, on the highway from St. Alexandre to Fort Kent. I wrote the best letters I could to the minister and told him that I desired to meet him in order to discuss the whole matter, but nothing was done. This work would take care of practically all the unemployed in my constituency.

I have mentioned these three cases in order to illustrate my argument that while the unemployed are taken care of in the cities, not the slightest attention is given to those in the rural districts. During the last calendar year only a trifle of perhaps $2,000 was spent in my constituency. I do not want to antagonize city members, but I desire to illustrate my point. There is a continual drift of country people towards the cities. This is a social disease and in an effort to cure it our long-sighted statesmen claim that there is only one remedy—back to the land. But still they are inducing the country people to come to the cities by their neglect during times of stress. There never was a time when the government would receive such overwhelming support for the building up of a practical world system as the present. If the opportunity is neglected, the failure will be so much the greater.

Instead of remedies we are given promises. The following appeared in the Evening Citizen of February 7:

> Defeatism
>
> Premier Bennett addressed the Toronto Board of Trade as a chastened leader last Monday when he said:

"I would like to promise you a spectacular move that would make you hip-hurrah—but, gentlemen, you did too much of that a few years ago, forgetting that some day the bills would have to be paid."

We did that because we believed his promise that we would have prosperity. He continues:

We cannot offer you anything spectacular—nothing but thrift and hard work.

There were many of my constituents whom I could not convince to vote for me. They believed in these wonderful promises. When they came to me, I told them frankly; "My dear people, we have a crisis and you have to be thrifty; you must save your money." They were told by the other side that if Mr. Bennett was returned to power there would be work for every one. They replied to me: "He is a wealthy man and he can tell us a trick or two about how to become wealthy ourselves."

Mr. DUPRE: The period of time to which the Prime Minister (Mr. Bennett) was referring was that before 1930.

Mr. BOUCHARD: The promise was distinctly made to us, and now he comes before the same people with statements far different. I do not doubt his sincerity; I think he was sincere, but he failed. It is not my fault, and perhaps it is not his; but his policies were not proper, and he now comes to us and says he has nothing spectacular to offer. Everything was spectacular in 1930, and now there is nothing for it but thrift and hard work. One thing however is now left out—iron heelism. May I say that we need no new Moses to lead us out of our plight. The cure is the application of common sense and the old and tried principle of freer trade and economy.

Let us consider for a moment something that goes deeper than this. As I said at the beginning, under the present administration of the world, every country is over-urbanized, over-industrialized and under-ruralized. What is the remedy? Expansion of farming. The land always remains the safe refuge. I know that it will bring a smile to the lips of industrially-minded people, and it may seem paradoxical, when the Prime Minister of the country is talking about reducing wheat acreage, to suggest as a remedy the expansion of farming. But the fact is that agriculture is Canada's fundamental industry, and when I say this I am not suggesting an increase in farm lands but an increase in the farming population of the country. I repeat, with the ever-increasing efficiency of machinery how can you take care not only of the unemployed of to-day but of the unemployed of the future? We have receded too fast from a civilization which was rural towards a civilization which is over-industrialized. Perhaps I might quote a paragraph or so from an article from its Dublin correspondent, under the heading, The Great Safeguard, which appeared in The London Times of January 31, 1932:

With eight persons on the land for one in manufacturing industry we have escaped the burden of direct unemployment and urban distress. The economic hardihood of the small farmer and his family has been the country's great safeguard and has enabled it so far to battle with the storm.

Let me for a moment discuss the great cry, "back to the land." The most pressing aspect of unemployment in the future will be to find occupation for the people outside large scale industry, and therefore "back to the land" is the watchword. There is at least a redeeming feature in the present crisis: people are thinking more rurally. I do not quarrel with those who advertise the back to the land movement but I doubt its success except in special cases, and I am sure that when the hon. member for Hull (Mr. Fournier) spoke about the back to the land movement he had colonization more in mind. I am strongly in favour of colonization, but the back to the land proposal is a terrible indictment of our social system.

Mr. THOMAS REID (New Westminster): In rising to make a few remarks in regard to the speech from the throne I wish to discuss some items therein affecting particularly British Columbia. The present speech, like many of its predecessors, contains some platitudes and some proposed legislation, and in the first place I wish to deal with the trade agreements. I notice that every hon. member on the other side who has spoken has taken time to put before the house figures showing that the trade with Great Britain has greatly increased under the present administration as compared with our trade heretofore. These figures are put forward in phrases that are very cleverly drawn up, because I find on page 128 of Canada 1934, an official handbook issued by the Dominion Bureau of Statistics, the statement that Canada's total trade for the fiscal year 1933 amounted to over $880,000,000 a reduction of 23·9 per cent compared with 1932 and 48·5 per cent compared with 1931, but this is the sentence that interests me particularly:

In spite of the large decrease in the past three years total trade is now nearly eight times that at confederation.

Surely that is going back pretty far for a comparison. Hon. gentlemen are endeavouring to convey to the country the impression that since the Ottawa agreements have been put into effect Canada's trade has been just wonderful. But if one examines the figures closely one must be impressed with certain facts. Granted that the trade with Great Britain has increased, why should it not increase?—because during the first two years after our hon. friends opposite came into office, that trade had greatly decreased and the trade of Canada generally had gone down to the lowest level in many years. So, if trade between Great Britain and Canada has increased, this is no wonder when you have in mind the low ebb it had reached at least prior to 1933. I would point out that our trade with Great Britain in relation to our total trade is really less than it was in 1929 when the Liberal party was in power. That is significant. In listening to speeches delivered by hon. gentlemen opposite bolstering up the trade figures, I was reminded of a man whose business in 1930 amounted to $10,000, which in 1931 had dropped to $1,000 and in 1932 had increased to $2,000. In making out his report to the directors he stated that during 1932 the business of the firm had increased 100 per cent. That is just as good an argument as telling the house and the country that Canada's trade with Great Britain has increased, because we know that it was at the lowest ebb it had reached in many a long year.

I listened to the Prime Minister (Mr. Bennett), both in the house and in Vancouver, giving prices of agricultural products in this country as against those across the line and elsewhere, and pointing out that we in Canada were receiving higher prices for our products than they were in the United States and, I believe, in some other countries. When he was quoting prices on certain agricultural products affecting British Columbia, particularly eggs, I noticed that when he picked out the prices and the cities in which those prices prevailed, he compared prices in Montreal, which is, by the way, a cold city, with those in Kansas City, which has, I believe, a warm climate. But he omitted to mention that in the state of Washington, which is adjacent to British Columbia, they were at the time paying two cents a dozen more than was being received in our province. If he had cited the prices prevailing in two contiguous areas with similar climatic conditions, the comparison would have been much fairer than one based on Montreal and Kansas City.

I shall, however, mention prices of some other agricultural products in British Columbia, and I shall ask hon. members to tell me after I am through where the farmer is getting less. Just before I left for Ottawa a farmer close to me had three cows to sell. I am aware that cow meat is not the very best; we all know that prime fat steers are the best for the market. These cows ran from 1,000 to 1,200 pounds live weight, and he was offered $15 for the three. Another farmer close to me had two cows for sale when the dealer came around and he was offered $3 for the two. I well remember the farmer's remark to the buyer; he said: "Well, I have never sold a cow for $1.50 in my life before, but I will tell you what I will do; I will sell you one for $3 and give you the other for nothing." I mention this just, as the Prime Minister has often stated, to keep the record straight.

I am going to cite a case in regard to fruit and this time I shall not confine it to the Fraser valley and Vancouver. This information was given to me by a fruit grower at a place called, I believe Fauquier, while I was going through the interior during the last election. He shipped seventeen boxes of pears to Medicine Hat. I would like the hon. member for Medicine Hat (Mr. Gershaw) to hear this. This man was charged $13.18 for freight, and after all charges were paid he received only $2.29 out of which he had to pay for the nails and the boxes. The result was that seventeen boxes of bartlett pears netted him exactly six cents. One does not quote these figures with any degree of pride. Why should he? Why should any hon. member come here and glory because the farmers or any other producers are getting low prices? I am mentioning these facts because we have heard so much about prices in Canada being higher than in the United States or other countries. I am citing figures on which I have the facts, and I ask hon. members to tell me where farmers have been getting for that class of product less than the prices I have mentioned.

In the legislation that we expect will be introduced by the government at this session, I am interested particularly at this time in that with regard to marketing, and I should like to spend a few moments in dealing with it. Let me say in passing that I hope the Minister of Agriculture (Mr. Weir) and the Prime Minister will expedite as much as they can the marketing legislation, particularly as it affects the milk producers of the Fraser valley. My reason for asking this is that we

in British Columbia, and particularly in the Fraser valley, are anxiously awaiting the proposed legislation because, if it is unduly delayed, it will mean that no amending legislation can be put through by the provincial government this session to enable the dairy farmers of the Fraser valley to take advantage of any dominion legislation in order to improve the present condition and prices there. For the benefit of the house I should like to give a resumé of the conditions affecting milk producers in that area.

There are some 3,000 milk farmers in the Fraser valley and the lower mainland, owning approximately 45,000 cows, the yield being roughly speaking, 7,000,000 pounds of butter fat per annum. Of that amount only 3,000,000 pounds are sold in the shape of fluid milk which has been selling to the householder for nine cents a quart, the present price now being, I believe, one cent higher. The remaining 4,000,000 pounds must be sold in the form of butter, cheese, evaporated milk and other products which sell to the householder for about half the price of milk. The milk farmer is receiving two and a half cents a quart for his pool price, but Vancouver milk prices are nine cents a quart delivered at the door and eight cents at the retail stores. Of the 3,000 milk farmers, 2,700 are organized; the other 300 are independent. Some of those 300 independents underbid and thus prevent any attempt at stabilizing the price of milk, because the independents go after the fluid milk market, where the price is the best and the profits are higher, and undercut the cooperatives who must share the low returns of all milk products marketed. They also raise the cost of distribution because they duplicate services which should be unified. There are seventeen distributors delivering milk, but only a handful of farmers who are selling milk from door to door. Their wagons are peddling milk from door to door in a ruinous way and the milk farmer is paying for this duplicate distribution and for the nerve-wracking price cutting tactics of the independent. It is not the consumer that is breaking the prices. Vancouver is getting milk at 9 cents; Calgary pays 11 cents, Edmonton 10 cents, Winnipeg 10 cents and Victoria 11 cents, showing that Vancouver is not holding up the consumer in the price of milk. Instead of 30 cents a pound that the farmer is now getting for butter fat, he could be getting nearly 40 cents; instead of 2½ cents per quart he could be getting 3 cents or 3½ cents. By eliminating duplication in distribution the farmer could be paid still more, probably another cent per quart, and the consumers in Vancouver would not be called upon to pay any more, because it is the cost of distribution that is running up the overhead. Vancouver consumers use 80,000 quarts of fluid milk per day. If the farmers could be paid two cents a quart more by the above methods, it would mean an additional $1,600 a day or well over half a million dollars a year for the farmers of the Fraser valley and the lower mainland. That is the price that 3,000 farmers are paying for the refusal of 300 independents to cooperate. We hope that the legislation that is to come will be brought down just as soon as the Minister of Agriculture and the Prime Minister can have it placed before us for consideration. It should be brought down before the session at Victoria is near prorogation, because if it is left too long it will mean that no enabling legislation can be put through the provincial house this year, with the result that over half a million dollars will be lost to the farmers of the Fraser valley.

In that connection I would like to make a few remarks about the statement of the hon. member for Vancouver South (Mr. MacInnis) when, speaking of the milk bill, he said, that the farmers in the Fraser Valley or in British Columbia were in just about the same position that the trade unionists were twenty-five or thirty years ago. Let me say for the benefit of the house and of the hon. member for Vancouver South, and speaking as a trade unionist with as long and as good a record as he has, that in that bill the Fraser valley milk producers jumped far ahead of any trade union movement. At one stroke they went years ahead of any trade union legislation, because, as most of us know, joining a trade union is not compulsory. Members are generally brought into a trade union by moral suasion, or perhaps during times of strike by picketing.

Mr. MacINNIS: I would like to point out that the farmers are asking legal sanction for what the trade unionists try to enforce without legal sanction.

Mr. REID: Not all trade unionists have asked for the same thing, because I belong to a union that has never asked for compulsory membership.

Mr. MacINNIS: We never asked for that.

Mr. REID: The hon. member made his speech. I know just as much about this matter as he does, and when it comes to that I have a good record in unionism second to no one in this house. I say that without any boasting at all. Trade unions never ask the government for legislation to compel every man

to join; the farmers in British Columbia have done so, and this enabling legislation seeks that very thing. But, as many hon. members know, they ran into a snag or two in connection with indirect taxation that conflicted with the federal powers and provincial jurisdiction. This statement may interest the house, and I make it with a great deal of pride, that the marketing legislation now before the government of Great Britain, especially that relating to the marketing of milk, was based on the bill introduced into the British Columbia legislature by the farmers of the Fraser valley. We take a great deal of pride out there in the fact that British Columbia has given the old country the lead in orderly marketing. Before passing on I reiterate my previous statement, because I realize how serious conditions are among the farmers out there; I ask the Minister of Agriculture and the Prime Minister to expedite the proposed marketing legislation to the utmost of their power so that we may have enabling legislation passed in Victoria this year.

There are some other matters in the speech from the throne to which I should like now to refer. I note that it states the following in reference to the world monetary and economic conference:

> The conference adjourned without dealing with many important subjects, but arrived at conclusions of especial interest and concern to Canada in respect to central banks, the gold standard, and the percentage of metallic coverage essential to the successful functioning of gold as a medium of international exchange.

I repeat what I said a few days ago in connection with gold coverage: I think the Prime Minister was derelict in his duty in not having appropriated all the gold of this country and added it to the treasury, or carried out the provisions agreed on at the imperial economic conference here by immediately reducing the metallic coverage of our currency so that further currency amounting to over $100,000,000 could be issued. I am particularly well pleased, Mr. Speaker, that Canada has seen fit, through its finance minister, to sign the agreements, which I hope will be ratified by parliament, relating to silver. I will have more to say on that subject later on, because as the house well knows I have a resolution asking the government to recognize silver, which I hope will come up in the near future. In passing however, I should like to say that I think great praise should be given to the United States for giving a lead in this regard, especially as they have a large accumulation of gold and could have withstood the attacks of the advocates of silver; but the United States government, even though having the most gold of any nation, was the first to lead the way in making silver as well as gold a basis for currency.

The other day the Prime Minister corrected me in what I said about a speech delivered by him in Vancouver. In that connection I will read the statement he made and leave it to the house to say whether it could not be rightfully interpreted as meaning just what I said. Speaking of the debt of Canada, including the railway debt, he said:

> Where is the spirit of our pioneers who tilled our soil and worked in our forests? Did they go to the government whenever they wanted anything?
>
> They did not ask governments to be a wet nurse to every derelict.

Many were led to believe that the remark related to those who are destitute and on relief. It was so interpreted by many there; as a matter of fact on the following day letters appeared in the newspapers protesting against such an insult. We have heard, Mr. Speaker, a great deal of praise of Canadians for their endurance during these trying times; it is a wonder the government does not give the people of Canada any reason to pay tribute to the powers of performance of the government.

I would like to speak also of another part of the speech from the throne, that which relates to relief. There is a paragraph in the speech which states that the Dominion government is doing everything possible to help the provinces during these terrible times of crisis. I hope the Dominion government will do all it can to help the provinces refinance the heavy loans they have had to negotiate and at much lower rates of interest than they are called upon to pay at present. In my opinion that would be some real help indeed.

When I brought up the question of relief, however, I intended to deal with the province of British Columbia and in that particular my remarks are not going to be too critical, though I have certain suggestions to offer which I believe should be placed before the house. Before doing so, however, I would direct attention to the fact that British Columbia is carrying a heavier load than most provinces. Many reasons could be given as to why that is so; I think one in particular is that due to the fine climate we have in British Columbia many thousands of people have drifted there from other provinces, and I do not think that strictly speaking, these transients should be charged against either the municipalities or the British Columbia government. Take the case of the city of Vancouver; I have here

the number of people on relief in November last, in a statement which I obtained just before I left for Ottawa. I find that in Vancouver some 6,676 transient single men are being cared for. These men have come largely from other provinces, and the city of Vancouver should not be charged with the relief which they entail. There are some 720 transient families in that city as well, a very large number indeed. If one had time to go through the list I hold in my hand, which gives the figures for the mainland only, he would find that there are 1,058 transient families on relief in British Columbia, and that does not take into account Vancouver island or the territories in the north and elsewhere which are looked after by the provincial government. He would find also that there are 6,852 homeless single men being looked after.

The Prime Minister has made it very clear, especially since the last election, that the duty is on the municipalities first of all to take care of the unemployed and destitute, and that when the municipalities are unable to do so it becomes the duty of the province. During the election campaign of 1930 it was interpreted in the opposite way, but at all events I think it would be well if some special check were made by the Dominion government and some greater interest taken in how the relief generally is carried on throughout the entire province. I do not think it is well to have some municipalities pay a set scale of relief with no work, while other municipalities pay a certain scale with work; and others again provide work but pay only small wages. There is a great deal of dissatisfaction throughout the province because of that fact.

Let me cite one case, to show the inequalities in the granting of relief. About two months before I came here I attended a meeting of returned men. One of the major subjects discussed there was the question of a German family who had been in Canada just five years and three months and who were drawing $31 a month in relief, while their neighbours, some of them returned men who had offered their all for this country, were being given only $9, $10 or $11 a month. You can imagine the feelings of these returned men when this German flaunted his cheque in their faces. I suppose if the Prime Minister were here he would rise in his place and say that this is not a question for the Dominion government but that it is primarily a municipal or provincial affair and that my complaint should be taken to the province. After struggling with this question for three years, however, surely the Dominion government are not going to adopt that stand forever; surely they are not always going to hide behind the British North America Act and say they cannot do anything. It is high time something effective was done in connection with inequalities and injustices such as this, because after all the Dominion government must have some responsibility since they are contributing large amounts to the various provinces.

I have another complaint which I should like to direct to the attention of the government as well. As badly as relief and the relief camps were administered by the late administration in British Columbia they did one admirable thing in connection with the purchasing of supplies. As many hon. members know, many camps have been taken over by the Department of National Defence. Before that was done, however, the camps in my constituency were purchasing their supplies from the farmers in the immediate vicinity. They bought potatoes, turnips, carrots, pork, beef and milk directly from the farmers, and they paid the current market prices. It is very noticeable, however, that since the Department of National Defence took over the camps it has been Pat Burns and Swift's who have furnished all these supplies. This has occasioned a great loss to the farmers in my constituency, and they feel that there is something wrong when the produce is bought first of all as cheaply as possible by these firms, trucked into the city of Vancouver, and then brought back out again. I think the government might well take note of a situation such as that, because that comes directly under their jurisdiction and control.

With regard to relief in British Columbia, Mr. Speaker, I should like to add that some of the municipalities are still in grave difficulties. One municipality, to which I directed the attention of the house two years ago, the municipality of Burnaby, still has 25 per cent of it population on relief. I doubt if any district in Canada has a larger proportion of its inhabitants on relief. With a population of 25,000 Burnaby has over 6,000 people on relief.

I believe that public works should be started, and I do not believe any municipality should be allowed to give relief without some return. I also believe that the wages paid those in the camps should be increased, even if the hours or days of work should be lessened. This handing out of 20 cents a day, even with food, clothing and shelter, has broken the spirit and taken the very life out of many of those who are in the camps. The government would be well advised to put into effect some uniform system throughout

so that the same relief scale would be in force throughout the province. I believe some return by way of work should be asked for, but the men should be paid a decent wage which will permit a decent standard of living.

Two or three days ago I directed a question to the Prime Minister with regard to the entry of cattle into Great Britain. I did so because I have listened to hon. members opposite take great praise for the amount of produce leaving this country for Great Britain. The statement contained in the article which I am about to read indicates to me a very serious situation so far as the cattle industry of this country is concerned, and it affects not only the cattle industry but our egg exports as well. I read this article to the house because I wish thereby to draw it to the attention not only of the Minister of Agriculture (Mr. Weir) but also of the Prime Minister. I quote from the Vancouver Province of January 27 of this year:

Grave fears for the future of the beef industry of western Canada, which have been showing renewed life, were expressed by members of the Western Canada Livestock Union at its annual meeting in Moose Jaw, according to Jack Byers, manager of the Western Stock Growers' Association, who returned to his Calgary office this week.

Before Great Britain placed the quota on Canadian exports, limiting the quantity of beef cattle for the first three months of 1934 to the number shipped during the same period of 1933, the stock business on the prairies had developed very rapidly in the production of cattle of suitable type for that market, Mr. Byers said, and the future appeared brighter than for some time.

"We were hoping that Great Britain, the only market to-day for our surplus, could be built up during the coming years until the period from 1893 to 1913, when 150,000 head of cattle were shipped annualy, was approached."

The major difficulties of providing facilities for ocean transport and sufficient numbers of good quality animals had been practically overcome, Mr. Byers said, with the assistance of Hon. H. H. Stevens, minister of trade and commerce, when the quota, described by Mr. Byers as a bombshell, threatened to demoralize the industry in the west. He added:

"Although we are placed in a much less favourable position than Ireland, our chief competitor for the English business, no attempt at bargaining by negotiation was made, with the result that while Ireland is allowed to ship 1,775 fat cattle and 5,066 store animals each week at about 84,000 head in the three-month period, Canada will be limited to 7,900 head in the same period. This limitation is imposed at a time when available ocean space has been built up to 13,000 head in three months."

Stockmen were beginning to realize the seriousness of the position that would arise in the near future, Mr. Byers said, and the belief that Canada would have fewer cattle to ship this year appeared to have been swept away by the facts.

As hon. gentlemen know, the industry was given an impetus by the negotiations between Canada and the United Kingdom looking to the entry of Canadian cattle into that market, and particularly so after the Ottawa agreements. The article continues:

In the first twenty days of the year 3,000 head of the 7,000 allowed for three months had been shipped, more than twice the number of last year. It appears probably that the end of February would see the quota exhausted, and the only available market for the western industry closed.

The article goes on to say that this serious condition has been drawn to the attention of the government. If the facts are as stated, it will certainly be a serious blow to the cattle industry, and the fault I find with this government is that it was not active enough in bargaining at the time Ireland and other countries were bargaining with Great Britain in connection with this very matter.

I think, Mr. Speaker, that that is all I have to say to the house at the moment, because, as I said before, I shall place before the house my views on the silver question when my motion comes up for debate.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I had not intended to speak to-night at this late hour but inasmuch as the government are not ready for a vote I shall try to save them from being defeated.

Mr. MANION: I am sorry to interrupt the hon. gentleman, but the government has been ready for a vote all day. There has not been a speaker on the government side all day, I believe.

Mr. HEENAN: At any rate, Mr. Speaker, we have before us the motion for the adoption of the speech, and the amendment thereto of the leader of the official opposition (Mr. Mackenzie King) to the effect that the government has lost the confidence of the house and the subamendment moved by my hon. friend from Acadia (Mr. Gardiner) that both the Conservative government and the Liberal opposition have lost the confidence of the people. If the subamendment were carried it would be in effect a vote of confidence in my hon. friends in the left corner of the house, and that would be an easy way for them to get into power.

Speaking directly to the subamendment—

Mr. SPEAKER: The hon. member is in error. There is only one amendment before the house. The subamendment was ruled out of order.

Mr. HEENAN: I think it would have been better if we had voted the subamendment down rather than have it declared out of order. I am not so sure as my hon. friends

to my left that the people have lost confidence in the Liberal opposition. In fact as I go through the country, and I travel quite a bit, sometimes having the honour of pulling my hon. friends opposite through the country at a high rate of speed, but always in safety—

Mr. MANION: We have always had a good pull.

Mr. HEENAN: When you place yourselves in my hands I can assure you that I will keep you safe from drowning, except politically.

When one recalls what the Liberal party did for the workers of this country I am certain it will not be said that the labouring men at least have lost confidence in the Liberal party. I could cite many instances of what has been done which some hon. gentlemen apparently have forgotten. But before I take that up I want to point out to my hon. friend, who, if he did not move a motion to that effect, certainly thought it anyhow, that the people have not forgotten that the Liberal party when in power increased the trade of this country one and a half times, reduced taxation, and in the last five years they were in power reduced the national debt by $257,000,000. In addition, under the policies of the Liberal party when they were in power, there were more persons employed in this country than have ever been employed in times of peace since confederation, and those men and women who were employed, especially during the last four years of the Liberal regime, were receiving the highest rate of wages ever paid in Canada in times of peace. During the last four years of the Liberal regime the wages of the workers in this country, as government statistics will show, were increased on the average by over 15 per cent. During those four years all labour disputes were settled under acts of parliament that were placed on the statute book by a Liberal government, and by thus avoiding strikes in the settlement of disputes hundreds of millions of dollars were saved to Canadian wage earners.

I could recount many pieces of legislation that were put on the statute book, and many orders in council that were passed by the Liberal government in the interests of the workers. I shall give just a few examples.

The Liberal government appointed a labour representative to the board of directors of the Canadian National Railways. That gentleman has since been displaced. A new board has been set up and this government has not seen fit to appoint a representative of the thousands of railroad men employed by the Canadian National Railways.

The Liberal government repealed the Hanna order which prohibited Canadian National employees from appearing on the public platform or running for political honours. We regarded these men as free citizens and I trust they will continue to be so regarded.

The Liberal government placed the Combines Investigation Act upon the statute book of this country. They used that act and they prosecuted and broke up combines which were operating against the public interest. They did not go out and make speeches about it; they put the act into operation.

The Liberal government amended the federal workmen's compensation act to provide free medical treatment and hospitalization in compensation cases and extended the act to provide compensation to government railway employees in Prince Edward Island upon the same basis as that applied in New Brunswick. The Liberal government extended the fair wages policy and applied it to the development of water power under federal jurisdiction. Canada was the first country in the world to adopt a policy of that kind. The Liberal government appointed a fair wage officer for the maritimes. But there is none there now, and this above all times is when a fair wage officer is needed in the maritimes just as he is needed in any other part of the country. The Liberal government passed an order in council prohibiting contractors and employers from bringing labour into the country under contract.

The Liberal government passed the Old Age Pensions Act, in spite of the ridicule heaped upon it by the Conservative opposition, not only inside but outside the house. Even as late as 1930 hon. gentlemen opposite went through the country telling the people that the old age pension plan of the King government was of no use and was unworkable, but that if they were placed in power they would put into effect a national system of old age pensions and pay one hundred per cent from the federal treasury. They worked upon the old men and women of this country and the way they deceived them was a disgrace. Notwithstanding all the ridicule that was heaped upon it, the old age pension plan adopted by the Liberal government is taking care of over 70,000 aged Canadians. While I am on this subject I should like to refer to the propaganda used in the maritimes during the 1930 elections. I have in my hand a full page advertisement which appeared in the Halifax Herald of July 5, 1930. While I was in the maritimes it was a daily occurrence to read such stuff in the Conservative papers and especially in the Halifax Herald. This

advertisement shows an old man and an old woman congratulating themselves and thanking heaven that at last a man had arisen who was going to give them one hundred per cent old age pensions. The picture of R. B. Bennett is in the corner.

Mr. DURANLEAU: They are giving seventy-five per cent.

Mr. HEENAN: Seventy-five per cent is about as far as any Conservative government will go, any time, any where. There is the following notice at the bottom of the advertisement:

> The national old age pension policy of the Conservative party's platform, to which they are unalterably pledged, provides that the dominion treasury bears the entire cost.

That is the way the aged people in the maritimes as well as in other parts of the country were deceived. In case there was any doubt as to the position, after the Prime Minister returned to Ottawa from the maritimes he endeavoured to make sure that the people down there did not misunderstand his views. The elections were to be held on July 28, 1930, and he addressed a letter to the people of Nova Scotia on July 12. After ridiculing the leader of the opposition and his attitude with respect to the constitution and other things, he ends his letter by saying:

> If returned to power on the 28th of this month, I pledge my party to pass a national old age pension bill by which the federal treasury will provide all the money required, thus treating all the old people alike, whether they live in the maritimes or in any other part of Canada.
>
> Faithfully yours,
> R. B. Bennett,
> Leader, Liberal-Conservative party.

My hon. friend, the Minister of Marine (Mr. Duranleau) says, "We will give them seventy-five per cent."

Mr. DURANLEAU: To date, yes.

Mr. HEENAN: Where is all the money he promised them in 1930?

The Liberal party passed legislation which had been sought for some time by the labouring men of this country. This legislation was for the purpose of preventing fraud with respect to union-made goods. Many concerns throughout Canada were advertising goods as union-made when in fact they were made in non-union shops. This act gave the right to labour unions to own and register their own labels.

Before we left office we took up with the various provinces the matter of instituting an unemployment insurance scheme. Some of the provinces were in agreement in that regard, and I am satisfied that had the Liberal party been returned to power we would not now be merely talking about unemployment insurance; we would have it in operation. For the benefit of my hon. friends in the corner, I will say that when the Liberal party is returned to power, which should not be very long, we will place in operation a workable unemployment insurance scheme. It will not be one like that which I contemplate my hon. friends opposite will bring in just five minutes before the elections, some kind of actuarial scheme which will never work in a country such as Canada.

By order in council we applied the eight hour day to all government employees who had been working over eight hours. We applied the fair wages clause and the eight hour day to all public works and public contracts. We went as far as we understood we could go under the constitution. We took the beam out of our own eye and were leading the way. We were not like the Prime Minister who upon his return from overseas not long ago declared to all and sundry that this country could not experiment in shorter hours and higher wages; it was an exporting country. I am satisfied the Prime Minister did not voice the sentiments of the majority of the people in this country when he intimated that Canadians must work longer hours at lower wages in order that we might be regarded as a low-paying country and thereby be able to sell our products in the markets of the world.

The Liberal government did something for the hon. member for Winnipeg North Centre (Mr. Woodsworth) and his friends the postal workers who had taken part in the Winnipeg strike. An injustice had been done to these men by the withholding of wages from them, and the Liberal government passed a measure to reimburse them these back wages to the extent of $100,000. It was not all that they were entitled to, but it represented a fair measure of justice. And need I remind the house that the Liberal government put upon the statute book the Industrial Disputes Investigation Act, which the labouring men of this country have effectively invoked. The enactment of that measure has resulted in the saving of hundreds of millions of dollars without the necessity of a soldier or a policeman going in to settle any disputes. I could enumerate many more, but I think I have said enough to indicate that the Liberal government did something for the labouring classes of this country.

When we come to the amendment, if anyone wants proof of the statement it contains, that the government has lost the confidence of the people, all that has to be done is to go among the farmers and the business men of the country, to talk with men in sleeping cars, in smoking compartments, in the hotels, wherever men gather together. They will tell you. The people of the country are waiting to vote against the government, but the government has not gone out to ask for a new mandate. It is manifest that this government has lost the confidence of the people.

All you have to do is to look at the condition of farmers anywhere in Canada. Go through the country to-day and ask the very question the Prime Minister himself put to them. Ask them, "How much more money have you in your pocket to-day than you had in 1930? Let that be your answer." Well, I say, let that be their answer to-day. Take the three western provinces. Their gross revenue decreased from $843,153,000 in 1928 to $273,738,000 in 1932, or a loss from 1928 to 1932 of $569,415,000—a loss incurred since this government came into power, a government that was going to blast a way into the markets of the world for the farmers of Canada. I would refer hon. gentlemen to the memorandum submitted by the United Farmers of Ontario, taken from statistics issued by the Dominion government, showing the value of field crops in Canada. In 1928 the figure was $1,125,000,000, and in 1932 it was $416,586,000, or a loss in field crops throughout Canada of $708,417,000. Not much blasting there. Every man on the other side of the house, and many supporters of the government throughout the country, promised the farmers not only to blast a way into the markets of the world but to bring about higher prices for the things the farmers produce.

Again, the government promised the workers of Canada a higher standard of living. Well, the hon. member for New Westminster (Mr. Reid) has told us something about conditions in the camps in British Columbia—he did not call them slave camps but he ought to have done so. I will coin a new name for them; I will call them distress camps, because, in northern Ontario at any rate, everyone in distress is put in these camps, and given distress wages. This government contributes thereto. It allows the Ontario government to place young Canadians, the flower of Canadian manhood, in these distress camps, paying them $5 a month with their board in the summer and $10 a month with board in winter. The Dominion government itself, up at Lac Seul pays 20 cents a day; it does not pay the men there $5 per month because if they lose time through weather conditions or sickness they lose their pay for that time. That is the higher standard of living which this government promised the workers in 1930. And to carry the deceit further—because it is nothing less than deceit—this government actually counts those men as employed; it provides for them in the statistics as employed men, while the Ontario ministers are going up and down the country ashamed of it—ashamed to this extent, that in their speeches they declare specifically that these men are not employed. They say that the camps are not work camps but camps where young men without homes are placed during the winter, and further that the money given them is not wages. Well, anyone knows that it is not wages; we need not be told that. Yet this government counts these thousands of men among the employed in order to deceive the people of Canada.

Take next the railway situation. I am glad to see the Minister of Railways (Mr. Manion) in his place, because the railway situation can be taken in any country as the best barometer of the progress or otherwise of the community. In 1929 the number employed in the railways in Canada was 187,000, in round figures. In 1931, the first full year of the Conservative regime, it was 154,000, and in 1932 it had fallen to 132,000. This last year the number was 122,000. In other words, in round figures, there were 65,000 less employed last year than there were during the last full year of Liberal regime. And this is the direct result of the Conservative party's policy of strangling trade in Canada. What does it mean in purchasing power? In 1929 the wages paid to the railway men of Canada amounted to $290,000,000, whereas in 1933 wages to railway men amounted to $160,000,000, or a reduction of $130,000,000.

Further, this government promised "amalgamation never, competition ever", and I believe that to-day they still say there has been no amalgamation of railways in Canada. But I am one man who has stood up on the floor of this house and outside as well and declared that the railways have been amalgamated as a result of the legislation passed last session, amalgamated in everything but name. It is deceit of the worst kind to call it cooperation or anything else than amalgamation. The Secretary of State (Mr. Cahan) the other day made a speech, right in Ottawa

I believe, in which he referred to the railway question; and he is preparing now for the full amalgamation of the railways. Had one of the Liberal ministers made a speech of that kind I can imagine gentlemen now sitting on government benches rising up and saying something like this, "These gentlemen have no regard for cabinet solidarity". Hon. gentlemen opposite are making speeches in various parts of the country to please the people in those different parts; but in the house the Minister of Railways and the Prime Minister say that there is no thought of amalgamation of the railroads of Canada, while their colleague the Secretary of State the other day made a speech which was practically to the effect that the railways must be amalgamated.

Mr. MANION: He said that under certain conditions they must be amalgamated.

Mr. HEENAN: Yes, if the Conservative government is kept in power, they are bound to be amalgamated because they are strangling Canada. Last year the bill which was passed provided for what? The formation of new companies, the stock to be equally owned by the Canadian Pacific and the Canadian National.

Mr. MANION: And it forbids amalgamation.

Mr. HEENAN: It provides for amalgamation all the way through, and at the end the government accepted an amendment which, had I had anything to do with it, would never have been placed in the bill because it means nothing; it is simply window dressing. After provision was made for amalgamation of the railroads, another clause was inserted stating: Nothing herein contained authorizes the amalgamation of the railroads of Canada, while the fact was that they were already amalgamated. The amalgamation of the railways of Canada is provided for, in everything but name, in section 16 of the act that we passed last year. That was the most gigantic piece of deception that was ever put over white men in a white man's country. We see the surveyors all up and down the Canadian Pacific and the Canadian National to-day, making surveys with a view to connecting the two lines; we see the pooling of passenger and freight trains. There is provision in the act for taking running rights over one another's road and the use of joint equipment. Not so long ago a Conservative member said in Winnipeg: "All the bill provides for is to eliminate duplication."

Well, when you eliminate duplication, what have you ? You have amalgamation; there is no use in trying to deceive ourselves any longer.

Mr. MANION: There is at the present time no amalgamation whatever of the two railways. Just because the hon. gentleman keeps on repeating the word "amalgamation" does not make it a fact.

Mr. HEENAN: Just because the hon. member denies it does not mean that it is not a fact. There are to-day 65,000 railway men fewer than there were in 1929. Men and women are being thrown out into the gutter to-day, including railroad men with twenty years or more experience.

Mr. MANION: No such thing.

Mr. HEENAN: Still hon. gentlemen sit there and say that we have not any amalgamation! The railroad men who are losing their wages know that we have.

Mr. MANION: They do not know any such thing, and neither does my hon. friend; he is just talking.

Mr. HEENAN: What are the excuses for all this? Not very long ago some Ontario minister who made a trip through northern Ontario made the most ridiculous excuses that statesmen or alleged statesmen ever made in this or any other country. It was flippancy of the worst kind, but it was left to one particular gentleman to make this excuse and it is one of the worst that was made. The Hon. Howard Ferguson, the Hon. George Henry, the Hon. Mr. Finlayson, Minister of Lands and Forests, and my hon. friend the present Minister of Railways, made a trip through northern Ontario and told the people that the reason there were so many unemployed was because of the policies of the former federal government; but this is what they say now after they have had three years to put their policies into effect:

> There are people who will say to you that the troubles that we are passing through to-day are caused by the government of the province of Ontario, or of the Dominion of Canada. Those of you who think and read and exercise ordinary intelligence and sense know that the government of Ontario or the government of Canada have not produced the results through which we are passing, but the Great war has been the cause of it.

According to this, the war that ended fifteen years ago was the cause of it and yet three years ago this same gentleman, whose words I am now quoting as reported in the Fort Frances Times of November 2, 1933, had the

audacity to face an intelligent audience and say in effect: "I deliberately lied to you in 1930; I deceived you and I put policies into effect that betrayed you. Now I have come around to tell you that if you had used ordinary intelligence and common sense, you might have known that I was trying to fool you in 1930."

The other day when the Liberal leader attempted to quote from a prayer, the Prime Minister said across the floor of the house that this was as near blasphemy as had ever been uttered in the house. Not so long ago the same Prime Minister went to Toronto and, speaking before, I think it was the Ministerial Association, said: "Nothing but the grace of God can save this country." Now when my hon. friends think there is an uplift, that we have turned that corner for which we have long been waiting, they are not giving God the credit; they are saying that the credit is due to the policies of the Conservative government which they represent. I do not know whether one would call that blasphemy or not, but it is just highway robbery of the worst kind, trying to steal from the higher power the credit for bringing this about.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 12, 1934

The house met at three o'clock.

PARLIAMENTARY RESTAURANT

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

That the name of Mr. Humphrey Mitchell be substituted for that of Mr. Henri Bourassa on the joint committee on the restaurant.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Bill No. 11, respecting Prudential Trust Company Limited.—Mr. Bell (St. Antoine).

Bill No. 12, respecting patents on certain inventions of which Duplate Safety Glass Company of Canada, Limited, is entitled to the benefit.—Mr. Lawson.

PETITION

On the orders of the day:

Mr. EUSEBE ROBERGE (Megantic) (Translation): Mr. Speaker, I beg to lay on the table of the house a petition from the municipality of Plessisville which reads as follows:

At a general meeting of the municipal council of Plessisville, held on the 5th day of February, 1934, under the chairmanship of His Worship Mayor Eudore Fournier, and at which were present the following councillors:

Mr. SPEAKER (Text): Will the hon. member state just what the petition is?

Mr. ROBERGE (Translation): Mr. Speaker, petitions are circulated in the counties on the north shore of the St. Lawrence, requesting the government to levy a tax of 20 cents per pound on leaf tobacco, sold directly or indirectly by dealers to consumers. The petition of the municipality of Plessisville protests against such a taxation. I beg to lay also on the table of the house two more petitions bearing on the same subject, one from St. Anastasie de Nelson, Megantic county, The other from St. Methode d'Adstock, Beauce county.

PRIVILEGE—MR. WILLIS

On the orders of the day:

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, on a question of privilege. Hansard of Friday, February 9, at page 440, reports the hon. member for Macdonald (Mr. Weir) as using the following words with regard to myself:

He knows his statement is fallacious and misleading to the highest degree.

I refer Your Honour to standing order 41 and for your reference I quote paragraph 297 of Beauchesne's Parliamentary Rules and Forms, as follows:

The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

I submit that the words used by the hon. member for Macdonald come directly under that part of paragraph 297 which states, "the imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another," and I ask therefore that the statement be withdrawn and that it be expunged from Hansard.

Mr. SPEAKER: Without doubt the words, "he knows his statement is fallacious and misleading to the highest degree" are unparliamentary. It is not unparliamentary to contradict a statement made by another hon. member when an hon. member disagrees with him but it is not parliamentary to accuse another hon. member of wilfully making an incorrect statement. I ask the hon. member

for Macdonald (Mr. Weir) to withdraw these words and I ask the house to consent to their being struck out of the record.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, I readily acquiesce in your request but I hardly think that my words were misplaced in any sense at the time.

Mr. WILLIS: Mr. Speaker, I should like to know if that is a withdrawal?

An hon. MEMBER: Do you want him to go down on his knees?

Mr. SPEAKER: I think the hon. member should make an unequivocal withdrawal.

Mr. WEIR (Macdonald): I do.

UNEMPLOYMENT RELIEF

MEDICAL SERVICES IN CITY OF WINNIPEG

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, on January 29, I asked the Prime Minister (Mr. Bennett) the following question:

Mr. Speaker, is the government aware of the action taken recently by the medical profession of the city of Winnipeg with respect to medical services formerly afforded families on relief? If so, in the event of other means failing, will they intercede on behalf of these people and see that they are afforded proper medical services.

I received this answer from the Prime Minister:

Mr. Speaker, representatives of the medical profession met me in Ottawa some weeks ago, and later a communication was sent to them indicating that there was no reason to believe that the provinces would not discharge their constitutional duties with respect to the health of their citizens. That point has been stated and restated so often it is difficult to understand why a question should be asked with respect to it.

Recent conditions locally, particularly in the city of Winnipeg, indicate that the provincial government of Manitoba has declined to share any portion of the burden of medical attention to these families on relief. May I therefore restate my question to the Prime Minister and ask if the government is prepared to intercede on behalf of these people and see that they are given reasonable medical attention?

Right Hon. R. B. BENNETT (Prime Minister): The federal government has no power to compel a provincial government to discharge its constitutional duties.

[Mr. Speaker.]

BANKING LEGISLATION

On the orders of the day:

Mr. W. T. LUCAS (Camrose): A Canadian Press dispatch in this morning's paper states:

Banking legislation occupied the Dominion government almost exclusively at a three hour session of cabinet council Saturday, and it is anticipated the bills to authorize establishment of a central bank, and to revise the Bank Act, will be brought into the House of Commons this week.

Several conferences between Prime Minister R. B. Bennett and Hon. E. N. Rhodes, Minister of Finance, and officials of the Canadian Bankers' Association have taken place in the past fortnight and the draft bill has been revised several times since it was printed.

Mr. SPEAKER: Will the hon. member proceed to ask his question?

Mr. LUCAS: That is all I wish to quote. I want to ask the Prime Minister, because I do not want to give a wrong interpretation to the article, is this Bank Act being revised and the legislation for a central bank being drafted to suit the bankers only or are other interests being considered?

Right Hon. R. B. BENNETT (Prime Minister): If the hon. gentleman was as assiduous in the discharge of his duties as in endeavouring to make unnecessary trouble it would be really better for this country.

RADIO CONDITIONS

On the orders of the day:

Mr. OLOF HANSON (Skeena): I have received telegrams and letters from the territory on the Canadian National railway between Prince Rupert and Jasper in regard to radio reception and interference. I took the matter up with the chairman of the radio commission, Mr. Charlesworth, and he referred me to the minister. The people out in that territory would like to have an inspector go over that section of the country and see for himself the difficulties and hear the grievances which the people have with respect to radio reception. The territory comprises 700 miles, and I think it would be well if an inspector were sent out to size up the situation for himself. There has never been an inspector over that territory, and I think it is about time one should go there.

Hon. ALFRED DURANLEAU (Minister of Marine): In answer to the hon. member for Skeena I shall be pleased to look into the matter immediately, and if at all possible the nearest inspector will be sent out there to make a general survey of the whole situation.

Mr. HANSON (Skeena): Thank you.

SEED FOR ONTARIO FARMERS

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): Before the orders of the day are called may I make a brief inquiry of the Minister of Agriculture (Mr. Weir). In view of the sympathetic consideration that has been given to stricken agriculturists throughout the country from time to time, I would ask what is the policy of the government with respect to farmers in western Ontario who are without seed and without funds to purchase seed?

Hon. ROBERT WEIR (Minister of Agriculture): I think the hon. member realizes that that is a question for the provincial government.

Mr. GOTT: It has not been a question for the provincial government in days long since past.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POSTMASTER GENERAL—PAYMENTS

Mr. POULIOT:

Will the parliamentary indemnity of the hon. the Postmaster General and his annual allocation of $2,000 for automobile be paid him during his trip to Cairo, Egypt?

Mr. BENNETT: May I say that the only answer that can be given to this question is that the case will be dealt with as all similar cases heretofore have been dealt with under the practice of parliament.

CANADIAN PACIFIC RAILWAY LOAN

Mr. POWER:

To what extent was the Canadian Pacific Railway indebted to the Bank of Montreal for loans or advances made by the said bank to the company at the time: (a) when the Canadian Pacific Railway Company requested the government to guarantee a loan of sixty million dollars; (b) at the time of the passing of the order in council which actually guaranteed the said loan?

Mr. BENNETT: I indicated the other day, I think, that this was an improper question. I am bound to say that with respect to the private business of the railway company and the bank this government is not informed except in the course of conversations in a general sort of way when matters are under consideration. With respect to the guarantee, it was known that there was an indebtedness to the bank, but I do not think we should be asked here to indicate what the relations are between a bank and its customers when such information comes to the knowledge of the government under those conditions.

PARCEL EXPRESS RATES

Mr. ROBERGE:

1. What was the rate per pound in 1930 for the transportation by express of parcels of the following weights: 1 pound, 5 pounds, 10 pounds, 15 pounds, and 20 pounds?

2. What is the present rate for these parcels for transportation by express over a distance of 200 miles?

Mr. MANION: The hon. gentleman can get this information just as well from the express companies, but if he wishes us to do it for him I have no particular objection. But I think it is hardly necessary to put the question on the order paper.

Question dropped.

GASPE BIOLOGICAL STATION

Mr. MARCIL:

1. Is it the intention of the Department of Fisheries to open a biological station and school in the Gaspe peninsula; if so, when and at what place?

2. Will this school be independent of other stations or merely a sub-station?

3. Have representations been made that suitable professors can be supplied by universities in the province of Quebec, and will effect be given to such representations?

4. Has His Excellency Mgr. Ross, of Gaspe, made any representations to the Minister or the government on this subject, and what answer was given him?

5. Have any negotiations taken place between the minister or the government and the government of Quebec or any of its ministers or officials, on this subject, and what has been the result of such negotiations?

Mr. BENNETT: I do submit, Mr. Speaker, that this question should not be asked in the form in which it is, especially by a distinguished parliamentarian who has been in the chair. The intention of the government is made known by legislation or by provision in the Estimates, and it is hardly proper to ask through a question on the order paper what the intention of the government may be, and when that intention, which is purely problematical, as indicated by the question, may be made effective.

Question dropped.

JACQUES CARTIER CELEBRATION

Mr. MARCIL:

What action does the government intend taking to commemorate the 400th anniversary of the landing of Jacques Cartier at Gaspe?

Mr. BENNETT: This is in the same position as the previous question.

CANADIAN PACIFIC RAILWAY LOAN

Mr. RAYMOND:

1. By whom, and if a company, by what officer, and on what date, was the government

solicited to guarantee the loan of $60,000,000 made by the Canadian Pacific Railway?

2. Before the adoption of the order in council of November 29, 1933, guaranteeing the loan of $60,000,000 to the Canadian Pacific Railway, did the government, or one of its members, ask the banks to contribute to this loan, verbally or in writing, and on what date?

3. Did the government or any member thereof promise or take the obligation in writing to guarantee this loan, and under what form and on what date?

Mr. BENNETT: Obviously part of this question can only be answered by disclosing private business between the banks and their customers. With respect to the first part of the question, the answer is very difficult to make because representations were made from the president of the railway company from time to time as to the condition of his railway and the inability to sell its securities. I could not fix the dates with any exactness with respect to that. So far as the next question is concerned, no one connected with the government asked the banks to make a contribution to the loan. The arrangements were made by the raliway company with the banks, and not between the banks and the government. I cannot quite understand the third question, which reads: "Did the government or any member thereof promise or take the obligation in writing to guarantee this loan, and under what form and on what date?" I cannot answer that beyond what is indicated in the document that has been tabled and also set forth at length in the observations I made to the house a few evenings ago.

GRANTS TO FAIRS

Mr. STEWART (Edmonton):

1. What grants have been paid during 1933 by the Department of Agriculture to any fairs, agricultural societies, live stock, or farmers' organizations, in Canada?

2. What are the names of organizations, amounts of grants and when paid, giving in each case the province in which such organization is located?

Mr. STEWART (Edmonton): Question dropped.

ROYAL WINTER FAIR, TORONTO

Mr. STEWART (Edmonton):

1. How much money was paid to the Royal Agricultural Winter Fair, at Toronto, during the year 1932?

2. On what dates were payments made?

Mr. STEWART (Edmonton): Question dropped.

CABINET MINISTERS—MILITARY PENSIONS

Mr. BLAIR:

1. Does any member of the government of Canada receive, or has any member of this government received a pension for war service?

[Mr. Raymond.]

2. If so, who is such member and what is the amount of the pension he has received?

3. Is he still in receipt of a pension?

Mr. MacLAREN:

1. Yes.

2. Hon. D. M. Sutherland: March 14, 1919, to April 30, 1921, $19.50 per month; May 1, 1921, to March 31, 1927, $26 per month; from April 1, 1927, $32.50 per month, which continues in effect.

Hon. R. J. Manion: February 10, 1918, to February 28, 1919, $16.67 per month; March 1, 1919, to June 30, 1919, $8.34 per month, when pension was discontinued at his request.

3. Answered by No. 2.

GOLD AND SILVER PURCHASES

Mr. REID:

1. What amounts of gold were purchased by the Dominion government during the past twelve months?

2. What price did the government pay for any gold purchased?

3. What amounts of silver were purchased by the Dominion government during the past twelve months?

4. What price did the government pay for any silver purchased?

5. Did the Dominion government sell any silver during the past twelve months?

6. If so: (a) what amounts were sold; and (b) what amounts were used by the mint for coinage in Canada?

Mr. RHODES:

1. 2,612,049 ounces fine.

2. $71,913,624, which represented the proceeds received upon actual sale of the gold in world markets, less all costs incidental to the refining and marketing of such gold.

3. 341,711 ounces fine.

4. $114,389.

5. Yes.

6. (a) 32,272 ounces fine in mint sweep exported, and 1,750 ounces fine to manufacturers; (b) none of the silver referred to in 3 was used for coinage. The silver used for coinage during the year was obtained from worn and mutilated coin.

DEPENDENTS' PENSIONS—ANNUAL SAVING

Mr. MACKENZIE (Vancouver):

What is the estimated annual saving arising out of the reduction or cancellation of dependents' pensions occasioned by the review undertaken during the years 1932 and 1933 by the Board of Pension Commissioners?

Mr. MacLAREN:

$124,528, made up as follows:

22 Cancellations of widows' pensions for misconduct	$ 14,976
38 Cancellations of pensions awarded in error	25,572

499	Reductions and cancellations—changes in financial status of parents	82,936
5	Reductions of orphans' to ordinary rates	1,044
514		$124,528

Note.—There was no special review in 1932. There are no statistics available to show the number of the above reductions or cancellations which were due to the special review in 1933, as distinct from those due to routine review.

DISABILITY PENSIONS—ANNUAL SAVING

Mr. MACKENZIE (Vancouver):

What is the estimated annual saving arising out of the reduction or cancellation of disability pensions occasioned by the review undertaken during the years 1932 and 1933 by the Board of Pension Commissioners?

Mr. MacLAREN:

$536,630, made up as follows:

1,376	Reductions — previously pensioned as incurred during service, now pensioned as aggravated during service	$364,448
71	Cancellations—previously pensioned as incurred during service or aggravated during service	19,896
6	Cancellations—previously pensioned as incurred during service, now aggravated, but aggravation negligible	966
123	Cancellations—pension awarded in error	44,699
672	Discontinued with gratuity	106,621
2,248		$536,630

Note.—There was no special review in 1932. There are no statistics available to show the number of the above reductions or cancellations which were due to the special review in 1933, as distinct from those due to routine review.

ANTHRACITE COAL PRODUCTION

Mr. NEILL:

What was the tonnage of anthracite coal produced in Canada in each of the years from 1930 to 1933, inclusive?

Mr. STEVENS:

The Dominion Bureau of Statistics have not recently recorded any production of anthracite in Canada. It is understood that there is a small deposit in the Cascade district of Alberta which is being operated by one company at the present time, and which is anthracite in character. The output is only a few hundred tons annually, and has not been separated either in the reports of the Bureau of Statistics or of the Alberta government from the bituminous output.

JORDAN MEMORIAL SANATORIUM

Mr. MICHAUD:

1. Does Department of Pensions and National Health, pay any maintenance charges for returned soldiers or military patients at Jordan Memorial Sanatorium, The Glades, New Brunswick?

2. If so, what is total paid up to January 1, 1934?

3. How many persons are there at present at Jordan Memorial Sanatorium, The Glades, New Brunswick, and who are receiving pensions from federal government?

4. What are their names, and what is each one receiving yearly: (a) as of January 1, 1933; (b) as of January 1, 1934?

Mr. MacLAREN:

1. Yes.

2. $148,993.25.

3. There are none whose hospital maintenance is paid by the department.

4. Answered by No. 3.

TUBERCULOSIS FREE AREAS

Mr. WEIR (Macdonald):

1. What areas in Manitoba are designated as tuberculosis-free areas?

2. Since 1925, what areas in Manitoba have made application to be included as tuberculosis-free areas?

3. What were the dates of these applications?

4. What areas, if any, were approved by the Department of Agriculture as tuberculosis-free areas?

5. What were the dates of approval?

6. In what areas, if any, were tuberculosis tests actually made?

7. What were the dates of said tests, if any?

Mr. WEIR (Melfort):

1. The rural municipalities of Portage la Prairie, Grey, Dufferin, Roland, Thompson. Rhineland, Pembina, Stanley, Winchester, Morris and Louise.

2. The rural municipalities of Old Kildonan, West Kildonan, Cartier, South Norfolk, Stanley, Rhineland, Portage la Prairie, Pembina, Morris west of the Red River, Winchester, Louise, Morton, Lorne and Brenda.

3. May 28, 1926; August 15, 1927; February 25, 1929; September 25, 1929; March 25, 1930; May 13, 1930; August 30, 1930; December 11, 1930; February 4, 1931; July 8, 1931; September 12, 1931; January 30, 1933.

4. Answered by No. 1.

5. April 30, 1930; May 23, 1930; April 2, 1931; September 6, 1930; March 6, 1930.

6. The rural municipalities of Stanley, Rhineland, Portage la Prairie, Pembina, Winchester, Dufferin, Roland, Thompson, and Grey.

7. Various dates in each of the years: 1923, 1924, 1925, 1929, 1930, 1931, 1932 and 1933.

E. J. S. VERGE

Mr. MARCIL:

1. Has Mr. E. J. S. Verge been removed from his position of returning officer for the county of Bonaventure?
2. If so, for what reason?
3. Has a new returning officer been appointed in his stead?
4. If so, who is he and on whose recommendation was the appointment made?
5. Who laid the complaint, if any, against Mr. Verge?
6. Has the new appointee any experience as returning officer?

Mr. CAHAN:

1. Yes.

2. Because, after an enquiry under oath pursuant to section 18 of the Dominion Elections Act, the Chief Electoral Officer concluded that the returning officer had failed competently to discharge the duties of his office in that, after certain deputy returning officers had refused ballots to persons who were not qualified to vote, the returning officer, without an investigation of the qualifications of the persons concerned, intervened and used his authority to cause ballots to be furnished to them, whereupon they voted, contrary to the statute.

3. Yes.

4. (a) Mr. J. P. LeBoutillier, of Paspebiac, Que.; (b) the selection and appointment being made by the Chief Electoral Officer.

5. Mr. C. N. Dorion, M.P.

6. No.

BUREAU OF STATISTICS BULLETIN

Mr. RAYMOND:

1. How many copies of the daily bulletin of the federal Bureau of Statistics are distributed each day, whether by mail or otherwise?
2. What is the estimated expense occasioned by the publication and distribution of this bulletin?

Mr. STEVENS:

1. 383 (294 English, 89 French), of which 188 to the press; 139 to legations, individuals and officials; 58 to universities and large business concerns.

2. Average cost per issue (paper, ink, other supplies and clerical labour), $6.30.

MCKENNA-MCBRIDE AGREEMENT

Mr. NEILL:

1. In what year was the McKenna-McBride agreement relating to Indian reserves in British Columbia entered into?
2. Did it provide for readjustment of reserves in British Columbia and for that province to convey the agreed on reserves to the Dominion government?
3. Has this conveyance taken place, and if not, what is the cause of the delay?

Mr. MURPHY:

1. 1912.

2. Yes.

3. No; the final schedule of reserves to be conveyed by the province was checked by the Department of Indian Affairs and returned to Victoria, February 22, 1933.

TRADE COMMISSIONER—DUBLIN, IRELAND

Mr. BLAIR:

1. Is Canada represented by a trade commissioner to the Irish Free State?
2. What has been the extent of Canadian trade with the Irish Free State during the years 1931, 1932 and 1933?

Mr. STEVENS:

1. Yes, at Dublin.

2.

Canada's Trade with Irish Free State (Calendar Years, 1931, 1932 and 1933)

	1931	1932	1933
Imports from	$ 42,438	$ 39,721	$ 26,824
Exports to—			
Domestic produce	2,639,565	2,578,931	3,422,074
Foreign produce	738	654	5,903
Total exports	$2,640,303	$2,579,585	$3,427,977
Total trade	$2,682,741	$2,619,306	$3,454,801

SECRETARY OF STATE DEPARTMENT—TRANSLATOR

Mr. RAYMOND:

1. Is the "one translator in the Department of the Secretary of State who translates foreign languages into English and French for all departments of the public service," as per the statement embodied in the explanatory notes of the Secretary of State's Bill No. 4, a competent translator to translate English or any foreign document into French?

2. Has the "one translator" passed any examination to establish his competency in translating into French language? If so, what certificate has he received, and from what authority?

3. Is the work of that "one translator of the Department of the Secretary of State" performed up to date? If not, how many months is the translation of foreign documents entrusted with that "one translator" delayed, for want of help?

4. Why has the Department of the Secretary of State not engaged a sufficient number of translators to attend efficiently to the various documents, for the translation of which explanatory notes of Bill No. 4 declare "the Secretary of State has frequently to procure assistance from outside the public service?

Mr. CAHAN:

1. The translator of the Department of the Secretary of State was engaged to translate into English correspondence and other documents in western European languages, namely; German, Dutch, Flemish, Italian, Spanish, Portuguese, Norwegian, Swedish, Danish and Icelandic, for all departments of government, and he translates a limited number of documents into French as required. In the past year from January 1, 1933, to January 1, 1934, this translator for twenty-two offices of government has translated 1,516 foolscap sheets of letters, certificates and technical documents, as follows: 82 from Danish language, 85 from Dutch, 7 from Flemish, 10 from French, 574 from German, 7 from Icelandic, 478 from Italian, 1 from Latin, 64 from Norwegian, 8 from Portuguese, 133 from Spanish, 67 from Swedish. In addition this one translator has acted with the Civil Service Commission in valuing 327 examination papers in French, German, Italian and Spanish.

2. The translator was employed temporarily in the Royal Canadian Mounted Police, Post Office and Interior until 1921, when he was made permanent by the Civil Service Commission. I do not know what examinations he passed, but I do know that he is very competent to translate into English or French the languages mentioned in my first answer.

3. The correspondence is practically up to date, but certain technical book work to be translated into English is not yet completed. No complaints have been received as to any alleged delay throughout the year.

4. No appropriation is made by parliament for the payment of any additional translators; and no additional translators are needed in the public service if the work of translation is properly distributed among and duly performed by the translators now employed in the public service.

SECRETARY, RAILWAY COMMISSION

Mr. GOTT:

Who is the secretary of the Board of Railway Commissioners, what salary does he receive, and what is his age?

Mr. MANION: A. D. Cartwright; salary $6,000 a year, less ten per cent; age sixty-nine.

PREMIUM PAYMENTS ON GOLD

Mr. MITCHELL:

What was the amount of premiums on gold paid by the Dominion of Canada during the last fiscal year?

Mr. RHODES: During the fiscal year 1932-33 the amounts paid for gold, being the value received on sale abroad less all costs incidental to the refining and marketing of such gold, were $8,426,051.53 in excess of the standard value.

RURAL MAIL ROUTES AND BOXES

Mr. VENIOT:

1. How many rural mail boxes were purchased since the present government assumed power?

2. How many rural mail delivery routes were established in the fiscal year ending March 31, 1933?

3. How many rural mail delivery boxes were on hand at the end of September, 1930?

Mr. DUPRE (for Mr. Sauve):

1. 10,000.

2. 33.

3. 25,555.

SOLDIER SETTLEMENT BOARD

Mr. McPHEE:

1. What amount of interest has been collected each year since its inception by the Soldiers' Settlement Board?

2. What amount of principal has been collected each year by the Soldiers' Settlement Board?

3. What is the cost of the Soldiers' Settlement Board and its entire staff, per annum?

4. How many settlers have been established on farms by the Soldiers' Settlement Board?

5. How many settlers have vacated their farms: (a) voluntarily; (b) by foreclosure?

6. What is the amount of the fund under the control of the Soldiers' Settlement Board?

Mr. GORDON: 1 and 2.

Fiscal Year	Interest	Principal	Total
1918-19	$ 139 35	$ 4,323 26	$ 4,462 61
1919-20	12,424 66	2,339,592 32	2,352,016 98
1920-21	677,938 12	5,140,054 16	5,817,992 28
1921-22	786,322 41	2,938,943 63	3,725,266 04
1922-23	1,310,889 94	2,032,539 43	3,343,429 37
1923-24	1,226,398 08	2,405,710 91	3,632,108 99
1924-25	1,206,668 19	2,614,464 14	3,821,132 33
1925-26	1,491,892 79	2,812,016 09	4,303,908 88
1926-27	1,889,763 12	2,547,082 92	4,436,846 04
1927-28	2,078,877 15	2,807,359 91	4,886,237 06
1928-29	1,982,911 63	2,851,768 09	4,834,679 72
1929-30	1,774,549 99	2,796,191 10	4,570,741 09
1930-31	720,844 56	1,659,001 14	2,379,845 70
1931-32	709,342 78	1,056,320 91	1,765,663 69
1932-33	600,418 29	738,307 55	1,338,725 84
10 Months Fiscal Year to January 31/34	354,048 75	811,402 42	1,165,451 17
	$16,823,429 81	$35,855,077 98	$52,378,507 79

3. Administration Cost 1932-33:—

Soldier Land Settlement	$587,325 27
Colonization	213,000 00
Investigations for other Departments	18,000 00
	$818,325 27

4. 35,492.

5. (a) and (b)—
13,504.
(Records do not show number voluntarily vacated as compared to number vacated by foreclosure.)

6. No fund.

SCOTSBURN, PICTOU, R.R. NO. 1, MAIL CONTRACT

Mr. RALSTON:

1. Has the contract for the rural mail delivery for Scotsburn No. 1 rural mail route, county of Pictou, been awarded?

2. If so, what were the names of the tenderers and the amount of each tender?

Mr. DUPRE (for Mr. Sauvé):

1. Yes.

2. Robert Ross Sutherland, $749; Andrew J. Campbell, $749; David Harbourne, $770; John E. Fraser, $790; Hugh R. Ross, $840; Jas. A. MacKenzie, $850; Peter W. Sutherland, $875; Geo. W. Sutherland, $900; James Cameron, $900; A. C. Sutherland, $900; R. A. McKay, $949; Martin P. Berry, $955; Martin P. Berry, $1,044.

Mr. McPhee.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

ANIMALS BRANCH—WESTERN INSPECTORS

Mr. McKENZIE (Assiniboia):

1. What are the names, ages and duties of all inspectors employed in western Canada, since 1930, by the Health of Animals branch, Department of Agriculture, showing the period each was employed?

2. How many of these are temporary employees, and how long have such temporary employees been employed?

Mr. WEIR (Melfort): Return tabled herewith.

CANADIAN AIRWAYS LIMITED

Mr. BOULANGER:

1. Has the government or one of its departments a contract or contracts with the Canadian Airways Limited or one of its branches?

2. If so, what is the nature, the duration and the consideration of such contract or contracts?

Mr. CAHAN: Return tabled herewith.

PORT DANIEL EAST, QUE., WHARF

Mr. MARCIL:

1. How much money has been expended by the Department of Public Works since August 1, 1930, on the departmental wharf at Port Daniel East, Bonaventure county, Quebec?

2. Were tenders called for this work; if not, why?

3. Who was the overseer of this work, and had he any experience in such work previous to this appointment?

4. How much was expended: (a) in material; (b) in labour?

5. Was the material secured in the parish or county; if not, why?
6. Was the material purchased by contract; if not, why?
7. If by contract, who supplied the material and at what price?

Mr. STEWART (Leeds): Return tabled herewith.

TRUST AND LOAN COMPANIES

Mr. BLAIR:

1. What dividends have been declared by the trust and loan companies making returns to the government during the years 1930, 1931, 1932 and 1933?
2. What are the names of such companies and what per cent upon its capital did each company declare as a dividend during each of the above years?

Mr. RHODES: Return tabled herewith.

PAYMENTS TO J. C. MCRUER, K.C.

Mr. SHAVER:

1. What was the total amount paid by the government of Canada to Mr. J. C. McRuer, K.C., of Toronto, for legal services rendered during the years 1921 to 1930, inclusive: (a) for services; (b) travelling allowances; (c) living allowances?
2. At what rate per diem was Mr. McRuer paid?

MOTIONS FOR PAPERS

R.R. NO. 2, SALISBURY, N.B., MAIL CONTRACT

Mr. VENIOT:

For a copy of contract, correspondence and all reports relating to the awarding of a contract, which recently expired, for the delivery of mails on route R.R. No. 2, Salisbury, New Brunswick, and all correspondence relating to the award of a new contract.

NASH'S CREEK, RESTIGOUCHE, N.B., POSTMASTER

Mr. MICHAUD:

For a copy of all correspondence and inspectors' reports, with reference to investigations held into charges made against the postmaster at Nash's Creek, Restigouche county, New Brunswick.

SHIGAWAKE, QUE., WHARF

Mr. MARCIL:

For a copy of pay lists and accounts for material for work done by the Department of Public Works on the department wharf at Shigawake, Quebec, since August, 1930.

CANADIAN NATIONAL RAILWAYS—GASPE MAILS

Mr. MARCIL:

For a copy of all correspondence exchanged between the Post Office Department and any of its officials, and the Canadian National Railways and any of its officials, regarding the handling and delivery of Gaspe peninsula mails at Matapedia, Quebec, and Campbellton, New Brunswick; also a statement showing the additional cost incurred in the handling of such mails since the Gaspe trains have been run to and from Campbellton, New Brunswick.

LITTLE SANDS, KING'S, P.E.I., BREAKWATER

Mr. VENIOT:

For a copy of all correspondence, letters, telegrams, tenders, engineers' reports, estimates in full, together with a detailed statement of pay lists of each person employed; also of all material purchased, giving the names of parties from whom the material was purchased; also the amount paid to each person for truckage, etc.; also the amount paid to the foreman and inspector, in connection with the repairs to the breakwater at Little Sands, King's county, Prince Edward Island.

EUGENE ANGLEHART, KELLY, BONAVENTURE, QUE., POSTMASTER

Mr. MARCIL:

For a copy of the evidence and the report of the commissioner, in connection with the enquiry into the charges of partisanship against Eugene Anglehart, postmaster of Kelly, Bonaventure county.

SCENTED GRASS HILL, GREAT BEAR LAKE, COAL AREA APPLICATION

Mr. HEENAN:

For a copy of all correspondence and other documents concerning an application by Mr. Nere Robert, for coal area in the vicinity of Scented Grass hill, Great Bear lake, Northwest Territories.

NORTHWEST TERRITORIES MINING REGULATIONS

Mr. HEENAN:

For a copy of all regulations regarding work on mineral areas from 1930 to date, in the Northwest Territories.

OXDRIFT, ONT., POSTMASTERSHIP

Mr. HEENAN:

For a copy of all correspondence and other documents and reports made, concerning the dismissal or resignation of the postmaster at Oxdrift, Ontario, during the months of November and December, 1933, and January, 1934.

Mr. HEENAN:

For a copy of all correspondence and other documents, requests and reports, concerning the recent appointment of the new postmaster to the post office at Oxdrift, Ontario.

CANADIAN PACIFIC RAILWAY—$60,000,000 LOAN GUARANTEE

Mr. RAYMOND:

For a copy of all correspondence interchanged between the government of Canada, or one or any of its members, and one or any of the Canadian banks, in connection with the guarantee given by the government for the loan of $60,000,000 to the Canadian Pacific Railway.

Mr. RAYMOND:

For a copy of all correspondence interchanged between the government of Canada, or any of its members, and the Canadian Pacific Railway Company, or any of its officers, in connection with the guarantee given by the government for the loan of $60,000,000 to the Canadian Pacific Railway.

R.R. NO. 1, SALISBURY, N.B. MAIL CONTRACT

On the motion:

Mr. VENIOT:

For a copy of all correspondence, reports and calls for tenders, in connection with the mail contract for delivery of mails on route R.R. No. 1, Salisbury, New Brunswick.

Mr. VENIOT: Motion dropped.

CANADIAN NATIONAL RAILWAYS—ACCIDENT AT ST. CHARLES DE CAPLAN

Mr. MARCIL moved:

For a copy of the report of the investigation held by the Canadian National Railways into the accident at St. Charles de Caplan, on the Gaspe line, in which the snow plough attached to the passenger train toppled off the trestle, causing the death of John Allard, engineer.

Mr. MANION: I have no objection to this motion passing, but we have no such copy in our department and the motion is passed on the understanding that we shall endeavour to get the report from the railways.

NORTHWEST TERRITORIES MINING REGULATIONS

Mr. HEENAN moved:

For a copy of all moratorium in connection with mining activities in the Northwest territories.

Mr. BENNETT: I would ask what this means. Probably it is covered by the succeeding motion for a copy of all regulations.

Mr. SPEAKER: I cannot interpret the meaning of the motion. Does the hon. member want it dropped?

Mr. HEENAN: No. As I understand the matter, there is a moratorium on mining activities in the Northwest Territories exempting the miners from performing work with respect to assessment. That is quite different from the regulations.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: No. One cannot ask the house to pass an order covering "all moratorium." I would say that the subsequent motion for a copy of all regulations regarding the work on all mineral areas would cover the regulations such as the hon. member has in mind. Possibly the motion had better stand in order that the hon. member may have an opportunity to amend it if he thinks that is desirable. The house cannot be asked to pass something which is not intelligible.

Mr. SPEAKER: The motion will be dropped by the hon. member for the purpose of revision. The wording is not intelligible.

Motion dropped.

[Mr. Raymond.]

SHIPPIGAN, N.B.—WHARF

Mr. VENIOT:

For a copy of all correspondence, calls for tenders and other documents, including a list of the names of the persons submitting tenders, in connection with the addition to the wharf at Shippigan, New Brunswick. Also a statement showing as to whether or not a contract was awarded, and if awarded, the reason for its being cancelled.

CORRESPONDENCE RE WHEAT AND FLOUR SALES IN THE ORIENT

Mr. MOTHERWELL:

For a copy of all correspondence, cables and other documents, exchanged between the Honourable Herbert Marler, Canadian representative in Tokyo, Japan, or the representative of any other country, and any member of the federal government, with respect to the possibility and practicability of disposing of more Canadian farm products, especially wheat and wheat flour, either in Japan or China, during the past three and a half years.

Mr. BENNETT: This raises a question to which I directed the attention of this house, and particularly the right hon. leader of the opposition, something over a year ago. There are two forms of communication carried on between the government of Canada and its representatives abroad. Cables are passing frequently, and it has never been the custom to bring them down in this house. On the other hand reports on trade matters are always available to parliament. In passing this order it must be understood that only those documents that are of a public character can be produced; as distinguished from communications passing between the government and its representatives abroad.

Mr. MOTHERWELL: Quite satisfactory.

LIFE INSURANCE

PROPOSED SYSTEM OF NATIONAL COMPULSORY INSURANCE

Mr. WILLIAM IRVINE (Wetaskiwin) moved:

That in the opinion of this house, the government should give immediate consideration to the advisability of nationalizing life insurance.

He said: Mr. Speaker, in moving this resolution I would like at the outset to make it clear to the house that my object is not particularly to criticize our Canadian life insurance companies nor the foreign companies doing business in Canada. That is to say I have no reason to suspect that these companies are not carrying on their business as efficiently and also as safely as such companies are anywhere in the world. So I

hope the discussion that may ensue will centre upon the question whether or not the business of life insurance in Canada could be done more efficiently and more cheaply for the people through the agency of the government than by private companies. In answering that question we have to ask what life insurance is for. What is the main consideration? Is it to keep the life insurance companies going? Is life insurance carried on in Canada for the purpose of collecting enormous funds in the hands of individual companies for investment? Or is not the object rather to provide protection for the people of Canada who need insurance? In this connection Judge Louis D. Brandeis, in commenting on an investigation carried on into the operations of life insurance companies in the United States, said:

> The business is carried on for the benefit of others than the policyholders. The needs and financial inexperience of the wage-earner are exploited for the benefit of wage-holders or officials. The results establish conclusively that, in the conduct of the business, the interest of the insured are ignored.

That was the comment of a judge summarizing the evidence that had been put before a special investigating committee with regard to life insurance companies in the United States, and I am reasonably sure that, if there were to be a similar investigation in Canada such a comment would prove applicable to our own companies.

Life insurance is essentially social in character. In fact it is its social character that makes it possible. Further, because of its social character it is, unless it is tampered with, the safest business in the world. In the last analysis it really means that all the individuals embraced in one insurance company undertake together to protect one another to a given amount against the risks of mortality. There are always more policy-holders remaining than the number who die, and unless the funds of the contributors are misspent or badly invested there is no doubt about the safety of the business.

We have to ask then, with regard to our insurance companies in Canada, whether or not they are carrying out the chief function of life insurance, which is to insure the people. Or is the emphasis being placed principally on the success of the companies from a business point of view? Are there people in Canada to-day who are not insured who ought to be insured, and are they not insured because the price of insurance is too high? Then is it or is it not so that the cost of insurance to the people of Canada who are insured is so high as to be a great burden upon many, so that under pressure of a depression such as we are passing through large numbers are compelled to yield up their insurance, either by taking its cash surrender value or by letting it lapse and losing it entirely? Do these things not indicate, if they are as suggested, that the price of life insurance is too high to those who are insured, and prohibitive to those who are not?

Many people in Canada are not insured to-day, and I think it can be shown that those who are insured are paying much more for their insurance than should be necessary or would be necessary under a government scheme. Life insurance as carried on by the private companies is fairly successful, for those who can afford it, but there are many people who cannot afford it, and those are the people who need it most. The classes of people who need life insurance most in Canada obviously are poor people with large families, and those who may be regarded as poor risks, who either are not accepted at all by the companies or else the price is so high as to be prohibitive.

Let us look for a moment at the number of policies in force in Canada at the end of 1932. I find the number to be:

Industrial policies..	4,097,592
Ordinary policies..	2,487,691
Total..	6,585,283

In 1931 the total number of persons in Canada fifteen years of age and over was 7,095,571. It is common knowledge, I think, that in ordinary life insurance one individual may have a number of policies, two or three or in fact many in some instances. So while under the ordinary insurance classification we have 2,487,691 policies it is altogether likely that this does not mean that more than a million or so people are insured, because each indivdual thus insured probably will average about two policies. Moreover it must be remembered that in connection with industrial insurance a great number of children are insured, and these are included in that four million. So if we take into consideration the number of children insured under industrial policies and the duplication of policies which we find under the other classifications of insurance, it is very doubtful if the number of people insured in Canada is greater than about half the number of people who require insurance. In other words I would say that about half the people of Canada who need insurance have no insurance at all. I do not think hon. members of this house will seriously dispute my contention when I say that the high cost of insurance, under our private insurance companies, makes it difficult for most of our people to get any insurance at all, and in fact it is impossible in many cases

The total number of companies doing business in Canada is some 62. In 1932 there were 43 active companies, 28 Canadian, 6 British and 9 foreign. In addition to those active companies there were six British companies and five foreign companies registered to transact life insurance but which have practically ceased to write new insurance, their business being confined to the policies already on their books, eight companies, four British and four foreign, were authorized under the act to transact business in connection with policies written prior to March 31, 1878. So there are forty-three active companies in Canada and sixty-two companies doing business to some extent.

I found some difficulty in getting information as to the salaries paid the chief officials of the Canadian companies. The note from the department of insurance states that the managers do not constitute a well-defined class, that the officials and employees designated as managers in some companies are known by other designations in other companies. In the annual report of the department the total of head office and branch office salaries were given, from which the following figures have been compiled. For the year 1932 head office salaries of Canadian companies amounted to $10,089,615; for British companies doing business in Canada to $240,271, and for foreign companies doing business in Canada to $1,144,935, thus making a total head office salary account for all the companies doing business in Canada of $11,474,821. Then for branch office salaries, those of Canadian companies amounted in 1932 to $9,677,859; for British companies, $220,311 and for foreign companies $3,165,306. So we have the total head office and branch office salaries amounting to $24,538,297.

In passing we might note the enormous amount of money tied up in head office buildings. In 1932 the amount tied up in head offices in connection with Canadian companies was $39,359,124 and in connection with British and foreign companies $3,473,345, making a total of $42,832,469. Is it reasonable to bury $42,832,469 in head office buildings while hundreds of thousand of our people have no insurance?

The salaries of insurance executives are perhaps among the highest in the country, both in Canada and in the United States. The president of the United States and the ten members of his cabinet receive a total of $225,000 a year. The eleven highest paid officials in the Metropolitan Life Insurance Company received, in the depression year 1931, more than three times as much as was paid the president and cabinet of the United States; in other words, they received $684,000. This company has on its payroll 39 officers receiving salaries greater than the members of the cabinet receive. Three other companies paid their eleven highest paid officials more than twice as much as the president and his cabinet received. The New York Life Insurance Company paid their officials $604,800 and the Prudential Insurance Company $544,000.

In this connection I might just mention the salaries which are paid some of the officials of United States companies, many of which do business in this country. I am sorry I have not the actual figures in this connection for Canadian companies. First there is the Equitable Life Assurance Society; in 1929 the salary of Mr. T. I. Parkinson, president, was $75,000 per year, but that was increased so that in 1932 he received $100,000 per year. I think in the same company there are about four vice presidents who receive about $40,000 annuallly. Mr. F. H. Ecker, president of the Metropolitan Life Insurance Company, received $175,000 a year in 1929, which was later increased so that in 1932, during the depression, he received $200,000 annually. There are two or three vice-presidents in that company, one of whom receives $125,000 annually, another $40,000 and another $35,000. In the Mutual Life Insurance Company the president, D. F. Houston, received $100,000 per year in 1929, and later that was increased so that in 1932 he received $125,000. Mr. T. A. Buckner, president of the New York Life Insurance Company, received $100,000 in 1929 and $125,400 in 1932. Mr. E. J. Duffield, president of the Prudential Insurance Company of America, received $125,000 in 1929 and the same in 1932; his salary did not increase with the depression. I think these figures indicate that there is no need for us to be disturbed about the well-being of those who are in charge of some of our insurance companies.

A few years ago the state of New York made certain investigations as to the cost of acquisition of new insurance by the different companies. Again I have been unable to get the figures accurately for Canada, but in a moment I shall give them as I have them here.

Mr. EULER: Would the hon. gentleman permit a question? He is giving the salaries of joint stock insurance companies. Has he any information as to the relative salaries paid by mutual insurance companies?

Mr. IRVINE: I think some of the companies I quoted are mutual companies. The Metropolitan is a mutual company.

Mr. EULER: Entirely so?

Mr. IRVINE: Entirely so. I am not sure as to whether some of the others are entirely mutual, but I did not take the trouble to differentiate between one and the other with respect to salaries.

A few years ago the New York State Insurance Department made a study of the cost of acquisition of new insurance by the different companies. The investigation covered forty-seven companies authorized to do business in New York state and 215 companies not permitted to do business there. It was found that the acquisition cost in ordinary insurance was forty-eight per cent of the first year's premium for the forty-seven New York companies which are limited by law, and seventy-five per cent for the others. For the year 1929 the first year's premiums in the companies doing business in New York totalled $278,600,000 out of which $122,800,000 was absorbed by commissions. For the year 1932 the first year commissions paid in Canada were as follows:

Canadian companies	$10,999,042
British companies	142,118
Foreign companies	1,376,492
Total	$12,517,652

Something of the meaning of these figures may be brought to our attention forcefully if at this time I refer to certain data which I have obtained through the Spectator Company of New York. This information is taken from the Life Insurance Policyholders Pocket Index of 1927. The table I have before me indicates the whole amount insured by certain companies, the total income for certain years, the total claims, the excess collected and the mortuary experienced per one thousand dollars. It begins with the Pacific Mutual Life, which commenced business in 1868, and the figures in connection with which are as follows:

	Whole amount insured	Total income 1926	Death claims paid	Excess collected	Mortuary experienced per $1,000
Pacific Mutual Life	$628,535,911	$28,252,847	$3,475,453	$24,777,394	$5.54

I am not going to go into figures in connection with all these companies because I fear they would probably weary the house too much. The result of the table however is as follows: The average income for each $1,000 insurance in force was $43.35. The average mortuary cost per thousand was $4.91, showing a very considerable spread between the amount required to meet death claims and that collected by the insurance companies. I have not the figures for Canada showing the same comparison, but so far as I can gather there is no reason for us to suppose that there is a very great difference, between Canadian companies and that of companies in the United States, to which I have referred.

I wish to point out that policies which lapse from year to year constitute a serious problem not only to the lowest paid classes in Canada, but it materially adds to the cost of insurance from a national point of view Ordinary insurance policies which lapsed in Canada in the years 1930, 1931 and 1932, were as follows:

Ordinary Insurance Policies Lapsed—1930-31-32

	No. of policies	Amount
1930	120,043	$265,052,125
1931	134,369	271,390,203
1932	127,466	252,565,765
Total	381,878	$789,008,093

Those, Mr. Speaker, are the figures for ordinary policies. I turn now to the industrial table of lapses, and find the following:

Industrial Insurance Policies Lapsed—1930-31-32

	No. of policies	Amount
1930	448,834	$132,651,052
1931	457,547	128,763,558
1932	556,801	150,185,896
Total	1,463,182	$411,500,506

Putting these figures together we have the following table showing the total ordinary and industrial insurance policies lapsed for the years indicated.

Total Ordinary and Industrial Insurance Policies Lapsed—1930-31-32

	No. of policies	Amount
Ordinary insurance policies lapsed	381,878	$789,008,093
Industrial insurance policies lapsed	1,463,182	411,500,506
Total	1,845,060	$1,200,508,599

Mr. REID: Has the hon. member any figures showing the amount of premiums paid on lapsed policies?

Mr. IRVINE: No, I am sorry I have not that information. Adding surrendered policies to these figures it is estimated that about 2,000,000 policies lapsed involving over two billion dollars worth of insurance.

Mr. STEWART (Edmonton): Has the hon. member given the figures showing the total lapses or are they confined to any particular year?

Mr. IRVINE: These are the total lapses for the two main divisions of insurance, namely ordinary and industrial, for the years 1930, 1931 and 1932. These figures, I believe, tell a really tragic story when we stop to consider the hundreds of thousands of Canadians who, perhaps for years, have been trying to protect their families but during the past few years have had to release their hold and lose all that they had paid.

Let me now compare the only state insurance scheme concering which I have been able to get figures, with the companies with which I have been dealing. The ratio of expenses to gross premiums for the first year policies in the Massachusetts system in 1929 amounted to only 9·17 per cent, whereas the average for all companies doing business in that state was 49·21 per cent. It ran as high as 78 per cent in the case of one company. Private companies doing business in Massachusetts had an expense ratio to all those premiums of 18·32 per cent for ordinary policies and 26·34 per cent for industrial policies. These were the figures based on all business done in 1929. In the case of the Massachusetts savings bank system, this ratio was only 4·63 per cent. According to the annual report for 1929 of the Massachusetts commissioner of insurance, by eliminating selling costs, advertising and high salaries, the Massachusetts savings bank life insurance system was able to sell insurance 26 per cent below private companies and more than 50 per cent below the commercial rates on the weekly premium plan. Detailed figures show that in some cases two years' protection in a private insurance company cost the insured five times as much as it would have done under the state scheme. Another instance is that of a holder of a twenty-year endowment policy, aged 30 at entry. In the case of a $250 policy, the net result at the end of two years showed a cost of $2.50 under the savings bank life insurance scheme as compared with a cost of $31.20 in the case of a private company. In this instance the policy holder paid more than twelve times as much for $250 protection in an industrial insurance company as he would have had to pay for insurance under state control.

[Mr. Reid.]

I see that my time in running short and I must turn from these figures to urge an argument based thereon. I urge that the whole life insurance business of this country should be taken over by the government. It is obvious that in a forty minute speech one cannot give a detailed plan for the taking over of insurance companies, but I do not know of anything that could be taken over more easily. The entire paid-up capital of all insurance companies in Canada amounts to only $10,000,000, and this is $10,000,000 that they have no business to have. Insurance companies do not need capital of that sort; $10,000,000 of unneeded capital is only an added charge upon the policyholders. It serves no other function. If the government took over the business now done by private companies it would be in an even better position to meet the requirements of the policyholders than private companies are. If the will was present, I do not anticipate any difficulty in the government finding a proper, efficient and effective way of putting this scheme into effect.

Perhaps one of the greatest advantages in favour of a state scheme is the wider distribution of risk which is made possible. The wider spread that can be given to the risk, the lesser risk there is and the cost of insurance accordingly becomes less. We have but to take the idea which is exemplified so well in group insurance and apply it to a still larger group, say to seven million Canadian citizens. As the group is enlarged, the cost is decreased. Under the group insurance plan an insurance company can go into a factory and sign up a group of fifty men without medical examination. They know from their actuarial experience that it is quite safe. They are able to give insurance to the oldest man as cheaply as the youngest. If that can be done with a group of fifty, it can be done much more easily with a group of seven million. By making this a national business and spreading the risk out to seven million people we can reduce the cost of insurance to a fraction of what it is now costing under the competitive system, figures in regard to which I have just given.

The next point in favour of nationalization is the compulsory feature. I suggest that our national insurance should be compulsory, it should apply to every person in the state who reaches a certain age. This age can be fixed at fifteen, eighteen or twenty, that is a matter of detail. The maximum and minimum of the policies is another detail which could be arranged. The compulsory feature would reduce greatly the cost of insurance. At present

we have forty-three companies in Canada, each with a network of agencies across the dominion; there are forty-three head offices and branch offices of each company in almost every city, town and village. There is an enormous cost in getting business under these conditions. A compulsory system under state control would permit this business being obtained for practically nothing. With a national compulsory scheme permitting the spreading out of risks there would be a material reduction in the cost of insurance and it would be brought within the reach of millions of our people who are now unable to obtain protection in a private company.

Another point to be considered is the amount of insurance investments in relation to the national economy. Perhaps I have time to put on record the figures in connection with the investments of Canadian insurance companies which I obtained from the Department of Insurance. These figures are the book value of the assets as at December 31, 1932. The Canadian real estate assets were valued at $55,034,238; the non-Canadian at $3,303,321, making a total of $58,337,559. I have not the time to give the details of other assets, so I shall give only the totals. The total Canadian assets of the Canadian companies were valued at $1,015,253,376; the non-Canadian at $528,182,242, making a total of $1,655,104,037. The total investments of these companies amount to well up to two billions of dollars.

I am one of those who believe that the time has come when this country will have to exercise some control over investments. If the Canadian government should make such a decision in the near future it would be necessary for them to obtain control of this tremendous sum which is now at the mercy, if I may say so, of these private companies. It is not too much to say that these private companies collect money from the people of Canada and then invest that money to the detriment of those who subscribe. Sometimes the investment may be safe enough but I am sure that very often it is made in enterprises which do not need further capital. Over capitalization causes a rise in prices of the commodity produced to the very people who have furnished the money for the investment. Let me give an example. When binders were made by hand they could be bought by the farmers of Canada at about $100, but when the machine production made it possible to stamp out hundreds almost like biscuits, they cost about $300 apiece. The rise in price was due very largely to over-capitalization, and insurance companies have done their share of over-capitalization among industries both in this and in other countries. I contend that a government cannot afford to allow an investment of two billion dollars to be made by these sixty-two private companies if there is to be any control of investment with a view to national policy. I sincerely hope that the day is not far distant when the government of this country will insist on planning its investments with a view to the national economy, and thus taking hold of insurance from that point of view as well as from the point of view of giving insurance to all of the people of Canada at the lowest possible price. Let me also point out that the nation really is in the insurance business, whether it wants to be or not, for when an individual dies and leaves his dependents unprotected, their care falls upon the community. The community must take care of those who are not protected by insurance whether it is in the insurance business or not. I submit that it is bad business for the community to pick up only those who are entirely incapable of protecting themselves and to allow the cream to be skimmed off by the private insurance companies who take as policyholders those who are well able to pay for insurance, and who perhaps scarcely need it at all.

Mr. F. W. GERSHAW (Medicine Hat): I wish to make a few remarks on this very important subject, not because I feel at all competent to deal with it exhaustively, but because I believe that insurance is one of the weapons that can be used in fighting poverty. We have poverty in this country from coast to coast. We have poverty that is an unsatisfied need for goods, side by side with unemployment, which is an unused ability to produce goods. Every observer will admit that these are the two great tragedies of the present time. If we can get a system of social credits which will solve these problems, by all means we should do so, but if we cannot we should at least come to grips with these problems and not pass up any opportunity of making things a little better. The social consciousness of the people of this country has been deeply stirred by the distress which has been brought about.

Insurance should do three things: (1) It should encourage the non-thrifty to save; (2) it should make secure for the industrious the product of their thrift; (3) above all, it should give that sense of security, in

fact, that actual security which would bring satisfaction and freedom from worry to those who otherwise would view the future with fear and dread.

With most of the insurance schemes the agriculturist has nothing to do. He is excluded from the Workmen's Compensation Act. He would likely be excluded from an unemployment insurance act. But if insurance could be brought within reach of the agriculturist a great service would be done and he then would have the opportunity of sharing in its benefits.

We realize that the insurance companies have stood up reasonably well under the stress and strain of the last four years of depression. We realize that the insurance companies persuade most of the people to take out insurance. It may be true that they are taking a cut for themselves of 20 to 25 per cent, but if they are looking after our interests we perhaps would not begrudge them that percentage.

I wish to go into some detail and try to make clear just how safe our insurance is at the present time. Insurance has become a tremendous—a powerful—institution in Canada. It has been said there are some forty-three companies actively engaged in business, twenty-eight Canadian, six British and nine foreign. The life insurance in force in this country is around six and a half billion dollars, and the total assets of the insurance companies are $1,632,528,293. Out of ten million people in Canada there are in force ordinary policies to the number of 2,487,691 and industrial policies to the number of 4,097,592. The ordinary policy averages $2,143, and the average industrial policy, $201. Of course, Canadian companies do business in many other countries in the world besides Canada.

The report of the Superintendent of Insurance gives these interesting figures. It states that out of each $100 of income received by an insurance company, $61.32 goes in disbursements in assurance and annuity contracts; $14.50 in general expenses; $1.51 in taxes; 33 cents in dividends to shareholders; $7.06 in other expenses, and $15.28 carried to reserve.

We must also realize that insurance is largely based on three things—the mortality tables, investments, and premium income. The mortality tables are compiled with great care. They give exact information that can be obtained by the insurance companies who can thereby tell just what calls are likely to be made upon them within any given period of time. The companies have perhaps been getting the breaks in this regard lately because people are living longer than they formerly did, and it must be said that the insurance companies are doing their part to help prolong life. They are paying for periodical medical examinations and are broadcasting health knowledge in very many ways, as well as supporting hospitals and similar institutions.

When we turn to their investments, we find that the funds of Canadian companies are widely diversified. They have invested in dominion, provincial, municipal, foreign and industrial bonds, also in preferred and common stocks. They have gone in for such things as power, apartment blocks, railways, real estate, farm mortgages and so forth. Anyone looking over a list of these investments will realize that the securities of life insurance companies have in some cases depreciated very largely in recent years. Of course they have only a certain percentage of their funds in any one type of investment, but summing up the investment program we must conclude that the companies are reasonably well managed and can carry on so long as the normal growth of the nation continues. And it is on that assumption that the security of the policyholder rests.

Insurance companies have a continuous stream of money coming in as premium income. This is a very substantial amount. In 1932 for the ordinary life industrial policies in Canada there was received in premiums $137,029,051, with perhaps another $4,000,000 for group insurance. This has increased rapidly in recent years. In 1931 it amounted to $144,000,000. But in 1922 it was just $67,000,000; in 1912, $23,000,000; in 1902, $10,000,000; in 1892, $4,750,000 in 1882, only $1,500,000.

This income has increased and it can continue to increase just so long as the volume of business increases, the population increases, the popularity of the insurance keeps up and the ability of policyholders to pay continues. From these sources insurance companies receive their returns and upon this security they are able to make their payments to policyholders. Therefore we must recognize these factors in estimating the strength of insurance companies.

During times past insurance was written on many different plans such as term insurance, endowment insurance, twenty pay life and so on, but recently I understand that the popular policies are life income, or refund annuity, and that our chartered companies are selling a great deal of insurance on this basis. It must be remembered that in years long gone

by the Dominion government established a system of government annuities and in so doing they provided for Canadian funds a place for investment which stands high to-day. My reason for rising now is to try to put forward the idea that by the use of this scheme as a framework, a policy could be worked out which would go a long way toward providing unemployment benefits and perhaps looking after the requirements of old age pensions. I know it is stated that rates for these annuities are too low; that they are based upon out-of-date mortality figures and that the government is paying all expenses of administration; but the fact remains that this stands out as one of the premium investments at the present time.

Let us take a few examples. Persons taking out annuities can start paying at any age; they can pay monthly or quarterly or yearly or, if they so desire, they can purchase their policy with a single payment, a single premium. If a man aged twenty wishes to have an income of $100 per annum after he has reached a certain age, the yearly premiums are as follows:

Years of age—	Yearly premium
After 70	$ 4 64
After 65	7 08
After 60	10 61
After 55	15 71
After 50	23 14

Supposing he does not wish to involve himself with these payments over a long term of years and desires to settle the matter at once; if he starts at twenty years of age with the idea of having an annuity of $100 after he has reached seventy years, he will pay a single premium of $102.55. That is a surprisingly small sum of money which would accumulate sufficiently in fifty years to pay him $100 a year as long as he lives.

Mr. SPENCER: Does the hon. member mean $100 a year or $100 a month?

Mr. GERSHAW: It would be $100 a year. At other ages the single premium would be:

Years of age—	Single premium
After 65	$150 98
After 60	216 22
After 55	301 89
After 50	412 13

For women similar rates are given in the table. These policies are flexible. If a man wished to have his annuity start at seventy and then later on desired to have it start at sixty or some other age, that could be arranged. Supposing he takes out an annuity and dies before he reaches the age at which the annuity was to start, then all he has paid in plus four per cent compound interest is paid to his estate. These figures are under plan A. If he wishes to have the annuity guaranteed for any term of years, that may be obtained by the payment of a slightly higher premium.

I understand it would perhaps not be advisable for the government to assist an optional, noncompulsory form of protection like this, but some other scheme could be worked out. For instance, the officers of the income tax branch know what income almost every person in Canada is receiving from wages or dividends. They could ask those who are paying income tax to pay a little more and thus get this protection. They could ask those who are not paying income taxes to contribute some of these small amounts that I have mentioned and thus make sure that their old age would be provided for. With this as a basis the government would be justified in contributing certain amounts, probably asking the industries to contribute certain sums and thus work out a scheme which would provide protection in case of unemployment or sickness, and perhaps for old age pensions at a younger age than that at which they start at the present time. I believe along these lines something could be done to evolve a workable plan that would banish the spectre of poverty and want and along these lines the government could very well nationalize insurance.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I had rather thought a subject of this importance would have received at the hands of the house more attention than is apparently indicated by the limited number of speeches we have had upon the resolution introduced by the hon. member for Wetaskiwin (Mr. Irvine). At the outset of his remarks he said that he had no intention of criticizing insurance business, nor had he reason to think the business in Canada was not conducted as effectively and efficiently as in any other part of the world, but he very shortly afterwards followed that by a citation from, I take it, a decision of Judge Brandeis of the United States, whether he was sitting as a judge or a commissioner, I am not at the moment aware. At all events, the citation which he gave and which I was not able to take down owing to the rapidity with which my hon. friend speaks, was a criticism of the manner in which insurance business had been conducted in the republic to the south. Then he proceeds to say he is not sure that the same criticism might not be levelled against

the insurance business in Canada. I submit that the hon. member's reference to the statement of Judge Brandeis was hardly in keeping with the statement he made at the outset of his remarks; and that, even assuming that the criticism of Judge Brandeis was true with respect to insurance in the United States, it by no means follows that it is true with respect to insurance in Canada. I think that, by and large, we have reason to feel proud of the stupendous insurance business which has been built up in Canada, and, on the whole, of the character of that business and the manner in which it has been conducted. I think it compares favourably with any similar business to be found in any country in the world. While I am not suggesting for a moment that it is not capable of improvement—no human institution is perfect—I do say that on the whole it has served the people of this country extremely well, and I deprecate any suggestion, emanating either from the resolution or from discussion in the house, that we have not full confidence in and reason to be proud of the manner in which insurance has been conducted in Canada.

My hon. friend cited some figures as to salaries paid to insurance executives in the United States. I have never heard criticism levelled against high salaries paid to insurance executives in Canada. I am prepared to admit that my personal feeling is that we have gone too far in many instances in the high salary field—

Some hon. MEMBERS: Hear, hear.

Mr. RHODES: I do not believe any man is worth the gigantic salaries paid to executives in some institutions, chiefly in other countries. On the whole we have been happily free from that tendency in Canada, with rare exceptions. But having said so much let me say this: I have no doubt in the world you could get insurance executives for $1,000 a year. But they would be the most expensive men you could possibly get. It by no means follows that because you pay an excessive salary to an executive, ipso facto the cost of insurance is going up. Even if salaries are excessive, the successful management of the business is of far more importance to those dependent upon it than the mere amount of the salary, which after all is but a trifling percentage of the amount involved in the business. It would be a mere fraction spread over the millions of policy-holders in a given company. If salaries of executives were eliminated altogether the effect on the dividends paid to policy-holders or the premiums collected would represent but a fraction of a cent. So my reference to that is merely to indicate that it has practically no effect upon the main result.

Mr. IRVINE: With sixty-two companies it would help some.

Mr. RHODES: My hon. friend gave a multiplicity of figures. I do not propose to follow him in detail even if it were desirable, but I will cite a few figures which I think have an important bearing upon the manner in which we should approach the consideration of a resolution of this kind. I think perhaps my hon. friend will agree that perhaps one of the main essentials of life insurance is security, both for the business and for the policy-holders. In that connection I may point out that during the eighty-five years that life insurance has been in force in Canada under government supervision there has never been a dollar lost to a policy-holder. Furthermore, during the past fifty years, in which there has been government supervision of foreign companies doing business in this country, and deposits have been required as security for the fulfilment of insurance contracts, there has never been a dollar lost to a policy-holder through effecting insurance in any foreign company. Our records are complete with respect to insurance companies back to the year 1875, a period of fifty-eight years. During that time the total income of Canadian insurance companies was $4,235,746,206. This is composed as follows:

Insurance premiums and consideration for annuities	$3,153,611,819
Interest, dividends and rents	876,143,383
Other receipts	205,991,004

During those fifty-eight years the total dividends paid to shareholders of insurance companies was $29,092,923, seven-tenths of one per cent of the income. On the other hand, during the same period there was paid in dividends to policy-holders the sum of $413,347,725.

Mr. MORAND: That includes mutual companies?

Mr. RHODES: Yes, that includes mutual companies, Canadian companies of all kinds.

Mr. STEWART (Edmonton): Canadian and foreign business?

Mr. RHODES: I am speaking only of Canadian companies but that includes the foreign business as well as Canadian business. I propose in a moment to deal with the question of foreign business of Canadian com-

panies. Now my hon. friend did not say so in words, but I assume he subscribes to the point of view of his leader the hon. member for Winnipeg North Centre (Mr. Woodsworth) who has stated that he does not advocate confiscation, that he believes that where the state acquires private undertakings it should compensate the owners. That being so we must look into the question of the liabilities involved in case the Dominion of Canada were to determine to take over the life insurance business of existing companies. My hon. friend gave the paid up capital of insurance companies as $10,000,000. I would not for one moment suggest that my hon. friend would deliberately mislead the house, but he altogether failed to take into consideration the premiums which were paid on subscriptions to stock in insurance companies, which represent several millions. He failed to take into account the accumulated earnings which appear to the credit of shareholders, which represent many millions more.

Mr. IRVINE: All stolen from the policyholders.

Mr. RHODES: No, I do not subscribe to that point of view at all.

Mr. IRVINE: I do.

Mr. RHODES: Not stolen from the policyholders at all. As a matter of fact under the law shareholders of insurance companies are entitled to take up to ten per cent of the earnings of the company. But voluntarily they have reduced that to five per cent, leaving the remaining ninety-five per cent available for the benefit of the policy-holders. Some companies have never taken full advantage of that five per cent; they have allowed substantial sums of money to appear as accumulated reserves for the policy-holders.

Assuming that it were desirable to take over the insurance business in Canada, what does it involve in the way of immediate commitment on the part of the dominion? As of December 31, 1928, the stocks of the Canadian insurance companies were selling at a market value of $94,000,000. I have no doubt that at once I will be met with the statement that those were boom times and that this was an inflated value. I am quite prepared to subscribe to that point of view. In this year of depression these same stocks represent a value of no less than $34,000,000; in other words the value of the stocks of the insurance companies held by the shareholders in Canada could be sold, on the present depressed market, for $34,000,000. I think it is fair to say that the main factor which determines the value of a stock on the stock exchange is its earning power; there are other factors as well but the main factor is the earning power. As the stock was selling at too high a figure in 1928 I submit that it is selling at too low a figure to-day, because the earnings of the insurance companies are very small. Consequently the price has gone lower than the actual value. That price of $34,000,000 has no regard whatever to the equities behind these shares, so I will take an arbitrary figure of $50,000,000 as being certainly a fair figure though, probably too low, of the cost if we desired arbitrarily to take over the insurance companies in Canada.

At 4½ per cent, which is the price we have to pay for money to-day, with that cost of $50,000,000, in order to break even we would require a revenue of $2,250,000 a year. As a matter of fact the total dividends paid to shareholders of Canadian companies last year was less than half that amount, so that upon the mere basis of dollars and cents we would be confronted immediately with two things. First we would be increasing the national debt by the sum I have indicated, and in addition we would be creating a yearly obligation in the form of interest which would require us to take more from the insurance policyholders than is being taken under private management.

In concluding his remarks my hon. friend said that we must make this nationalization compulsory. It may be that his advocacy of that policy came at the end of his speech, when he was a bit hurried for time, but I noticed that he did nothing more than merely assert that this was what we should do. There are several questions I should like to put to my hon. friend. Assuming that it were desirable to take over the whole of the insurance business and it were wise to make insurance compulsory what would he do in the case of the man who says, " I cannot pay." Would he insure every adult over the age of twenty-one, without medical inspection and without regard to health? If he did so his cost of insurance would be infinitely more than it is to-day, because one of the reasons why the cost of insurance is kept at a low figure is the very careful selection made by the life insurance companies.

Just on that point let me say that my hon. friend from Medicine Hat (Mr. Gershaw) put his finger upon one of the greatest services that is being rendered by the insurance companies. They do not by any means confine their activities to the endeavour to sell insurance in order to make a profit; they enter very largely into social service

activities, which are of lasting benefit to the health of the people of the country, by their social service work, their support of public health institutions, public health education and control, especially with regard to maternal and infantile mortality and tuberculosis, and the provisions obtaining in many companies which call for medical inspection on the part of policyholders at stated periods.

To-day in Canada there are policies in effect, issued by Canadian life insurance companies, aggregating somewhere in the neighbourhood of seven thousand million dollars. That is the face value; I think I can find the exact figures here. The exact figure is $7,225,000,000; that is the face value of insurance policies issued by Canadian insurance companies, but of that sum only $4,300,000,000 is applicable to policies issued within the Dominion of Canada. The remainder, $2,900,000,000 represents the aggregate face value of policies issued in foreign countries. So I put this question to my hon. friend from Wetaskiwin: If he is going to nationalize the insurance business in Canada what is to be done with respect to the insurance business in foreign countries? Are we to lose that business? Certainly we cannot retain it unless we allow reciprocal rights to those in other countries to insure in Canada, because I may point out to my hon. friend that one-third of the total insurance business in Canada is done by companies in foreign countries. If my hon. friend does restrict Canadian insurance companies to the Canadian field he cuts off that business, and in doing so he limits that spread of which he spoke a while ago when he said that the more insurance policies issued and the larger number of people insured, the cheaper the insurance would be for the individual.

In that connection, lest I forget, let me point out that if he is going to take over the insurance business in Canada as a national undertaking, what is he going to do with that amount of insurance now held in Canada by foreign companies? If he takes it over he has to compensate, and if he compensates he has to make a further commitment in addition to the figures which I gave a short time ago.

Mr. MARCIL: Has the minister the value of the policies held in Canada by American or other foreign companies?

Mr. RHODES: I am not sure that I have those figures under my hand. If I have them I will try to give them before I conclude. My hon. friend did not say so, in so many words, but he clearly left the impression upon the house that if insurance were conducted by the country the matter of profit would be eliminated and that as a result insurance would be cheaper for the individual. In that respect we have before us experience in life insurance covering a period of a great many years and this experience does not bear out the assertion made by the hon. member for Wetaskiwin. On the contrary, may I explain that in Canada we have a scheme of insurance covering civil servants which has been in effect for some forty years. There are some 40,000 civil servants in Canada who would be entitled to the benefits of this insurance scheme; however, despite the fact that the scheme has been in effect for the period of time I have stated there are to-day only 6,731 civil servants who have embraced the opportunity of insuring their lives through this medium. That is the position, notwithstanding the fact that the premiums are so low that they do not allow anything whatsoever for overhead costs. Those costs are borne entirely by the taxpayers of Canada. And I should like hon. members to bear in mind that I am not complaining.

Mr. McKENZIE (Assiniboia): Is that confined entirely to the civil servants?

Mr. RHODES: Yes. It is estimated that the rates on that insurance are something like 75 per cent of those on ordinary non-participating insurance offered by the life companies. One of the reasons it was placed at such a low figure was to effect a compensating advantage in favour of the civil servants when in 1893 the Civil Service Superannuation Act was amended and larger contributions were called for.

Mr. MORAND: Does that insurance actuarially carry itself?

Mr. RHODES: No. I am speaking subject to correction, but I believe it is correct to say that on an actuarial basis it does not carry itself, apart altogether from the cost of overhead which I have mentioned.

Mr. McGIBBON: What contribution, if any, does the government make?

Mr. RHODES: The whole cost of management, the expenses in connection with staff, stationery and so on. Then, of course it guarantees payment.

Mr. IRVINE: What sort of insurance is it?

Mr. RHODES: Life insurance.

Mr. IRVINE: Well, there are various kinds of life insurance; what sort is it?

Mr. RHODES: Probably the nearest example we can get concerning the efficiency of state life insurance as contrasted with that conducted by private companies is to be found in New Zealand. In that country the two types of insurance for a period of sixty years operated side by side. The facts are that to-day the total amount of insurance conducted by the state of New Zealand amounts to $104,000,000 whereas that conducted by the private companies amounts to $444,000,000. Not only is the amount under the control of private companies more than four times as large, but the private company business has tended to increase at a ratio greater than that of the state. That is the position in a country which is perhaps less subject to outside influence than obtains in most countries.

Mr. EULER: Has the minister any information on the point as to whether or not, because of the fact that the state is in the insurance business in New Zealand, the rates have possibly been reduced as a result of state competition?

Mr. RHODES: I would ask the hon. member to keep that point in mind, and I shall answer it before I have completed my remarks. At all events, I shall give the answer as I see it. In the last twenty years the amount of insurance conducted by the state of New Zealand has increased by ninety per cent whereas in the same period the amount of insurance effected by private companies has increased by 250 per cent.

Mr. CHAPLIN: How do the rates compare?

Mr. RHODES: With the rates in Canada?

Mr. CHAPLIN: The rates of the two systems in New Zealand?

Mr. RHODES: Their rates must be similar, otherwise the proportion of insurance conducted by the state would tend to increase, rather than diminish, with respect to the total volume of insurance in force. That thought leads me to say that insurance is a very peculiar business; I know of none other comparable to it. It is a type of business that has to be sold. It is a commodity the selling of which requires intensive effort. I believe that fact is proven beyond doubt by the circumstances that where you find state and private companies competing the private company wins out on every occasion.

Answering the hon. member for North Waterloo (Mr. Euler) may I say that when the royal commission on insurance sat here in 1906 this very question was raised. I have before me a portion of the evidence given by Mr. Thomas Bradshaw, who, at that time, was general manager of the Imperial Life Insurance Company. Perhaps it would not be amiss to read the whole of it, despite the fact that it is a fairly long paragraph.

I am afraid my views are not in accord with the views of most of my colleagues, but I judge that they will give me credit for sincerity in holding the views I do upon that subject. I have endeavoured to consider this matter from a public standpoint strictly, and therefore believe that state insurance is practical under certain conditions. I believe that state insurance would have a most helpful effect in educating public opinion as to the merits and the necessity of life insurance, and thus incidentally prove of very great benefit to the life insurance companies of Canada. I believe that state insurance under a sound management would be helpful in assisting the regular life officers in reducing their rate of expense, and also helpful in assisting in solving some of the other vexatious problems which they are constantly brought in contact with. I do not think that such a department would be antagonistic to the interest of the regular life insurance companies, but would rather prove an adjunct to the propaganda of the popularizing of life insurance. I think it may be likened unto the Post Office Savings Department. The experience has been, I believe, that the Post Office Savings Department of Canada has rather helped the chartered banks, has assisted in popularizing the thrift and increased the savings accounts in the chartered banks of Canada. So for these reasons, and for some others, I believe that state life insurance would not be an evil, but a great blessing to the public of this country, and I believe that the field is broad enough and is growing, and is able to sustain not only a life insurance department but to sustain and to make even more prosperous the life insurance companies which are at present operating in this field.

And Mr. T. B. Macaulay of the Sun Life Insurance Company gave the following evidence on the same occasion:

Mr. Bradshaw's last remark covered nearly all I had to say on this matter, because my position is simply this: I have no objection in the world to the establishment of a state life insurance department if it is thought desirable. I quite agree with Mr. Bradshaw that if these different things that he speaks about, if such a department can be managed free from politics, if the management is given a free hand, if the investments are not put into government securities yielding very low rates of interest, but the same scale is exercised in selecting them as in the case of a regular life insurance company, and if all the other things that go to make a successful life insurance company are put into a government institution, I see no reason in the world why it should not be a first-class success. But even if it were a first-class success I do not think it would amount to anything better than another first-class company. That would be all that would result.

I might make some observations with respect to the government entering business.

This is a matter to which I have given a great deal of attention, and I know the same applies to many hon. members of this house. There are certain activities, even in this country where the trend is to expect the government to do everything, which are peculiarly adaptable to government handling. On the other hand, there are many phases of business which the government is not equipped to handle. If there is one business more than any other business of a highly specialized character which the government cannot be equipped to handle, it is the life insurance business. I submit in all seriousness that if it were possible to take over the life insurance business, assuming that it could be conducted by the government as efficiently as it is conducted as a private enterprise—I do not admit that but I will assume it for the sake of argument —it would lose that driving force without which the business would not increase and prosper as has been the case under private management. This is one of the classes of business which the government ought not to engage in unless it does so in competition with private enterprise and obtains the benefit of the stimulus which comes from competition. Even then it loses out in competition with private business as has been proven by experience not only in New Zealand but in Canada. We might take the case of England where insurance was sold through the post-office for a great number of years. This system was in force from 1864 but was abandoned in 1928. The insurance was sold at less than cost but the whole matter was the subject of an investigation in 1920 by a committee presided over by Lord Parmoor. That committee found that although the expenditure incurred in administration was low and the terms of insurance much more favourable than those offered by insurance companies, the number of applications for insurance was extremely small and the system could only be described as a failure, one reason for this being that the system was not competitive and did not adopt canvassing methods. In July, 1928, the select committee on estimates recommended that post office life insurance business should be discontinued. This goes to illustrate that where you do not have that driving power behind the seeking for business, which I submit you cannot have in a state insurance, if you do not fail, you certainly are not going to have that degree of success which obtains in the case of a private company.

Mr. IRVINE: I suggest also that that might be regarded as illustrating the power of the insurance companies over the administration.

[Mr. Rhodes.]

Mr. RHODES: I hope my hon. friend will not think I am disrespectful but I must state that he had his full forty minutes during which I did not make one single interruption. He has interrupted eight or nine times and in addition he will have an opportunity to reply. That ought to be sufficient for the purposes of the hon. member for Wetaskiwin and he should not interrupt me in the course of remarks which of necessity have to be given without that degree of preparation which I should like to have in dealing with a subject of this importance.

Mr. STEWART (Edmonton): Would the minister say a word or two about the compulsory aspect of the matter?

Mr. RHODES: The hon. member for West Edmonton (Mr. Stewart) has asked me to say something further with respect to the compulsory aspect of this matter. I must say that I was rather amazed at the suggestion of the hon. member for Wetaskiwin. I had not given thought to that phase of the matter but I think the queries which I put to him indicate what is in my mind. What machinery could the government adopt to compel an individual to pay for insurance, even assuming that he is physically fit and a proper subject for insurance? The most the government could do would be to put him in gaol if he did not pay and that only makes the second condition worse than the first. We not only do not get the amount of the premium which he owes but we are put to the expense of providing him with free board and lodging. Are we to insure every individual when he reaches the age of twenty-one without any reference to his physical condition ? If that be so, then we will have to take in the lame, the halt and the blind. Are we to enter upon a gigantic scheme of benevolence and not have the matter dealt with upon an actuarial basis? The other alternative is to have this insurance stand upon its own feet and make the premium at least sufficient to carry the policy. In this case we would be confronted with such high premiums that no one would insure. This seems to me to be the obvious answer.

I appreciate that all my hon. friend asks for in his resolution is:

> That, in the opinion of this house, the government should give immediate consideration to the advisability of nationalizing life insurance.

But I would not wish it to be thought that the government is prepared to consider the nationalizing of insurance. Therefore, this

resolution cannot be accepted by the house. It adopts a principle which, in my judgment, is unworkable. No public reason has been given why it should be introduced. We are being well served at the moment. On the one hand we have the benefit of private management, with the urge which must be behind private management if they are to make a success of a business of that character. On the other hand, we have the benefit of supervision which has been of a singularly high type. This may be because we have been served by one of the most efficient public servants with whom I have come in contact in the person of the Superintendent of Insurance. I do know that the manner in which he has conducted his inspection has caused the insurance department of the Dominion of Canada to be looked up to as a pattern and an example by other countries of the world. On a recent visit of mine to the United States I had the privilege of meeting the members of the life insurance presidents' association during their annual meeting in New York. I was struck with the flattering remarks made by all of those who were associated with the insurance industry of that country as to the character and method of our inspection.

I hope the house in its wisdom will reject this resolution.

Mr. HENRY E. SPENCER (Battle River): The hon. Minister of Finance (Mr. Rhodes) does not seem to be enthusiastically in favour of the resolution before the house. I agree that we have reason to be proud of our insurance companies in that they have not collapsed under this crisis, but they may have been kept going simply because of the penalties they have taken out of the people who have been insured.

I was very glad to learn that the Minister of Finance is critical of the very high salaries that are being paid in the insurance world to-day, although he rather implied that if you got cheaper men they would not be worth anything at all. But when the enormous salaries that are being paid, as stated by the hon. member for Wetaskiwin (Mr. Irvine), are recalled, higher salaries perhaps than are being paid to any other executives, even such high executives of the United States government as were mentioned, and when it is realized that these salaries have been increased as the depression has deepened, I think it will be agreed that it is time we asked some questions about these enhanced salaries. I would point out to the Minister of Finance that it is not always right to say that if you pay a less salary you do not get the same service. For if I might refer to the minister's own last words, we have in the employ of the dominion government one of the most valuable men possibly in the insurance world. He is doing a most excellent work, and he is to-day getting only one-twentieth of some of the high salaries that have been mentioned on the floor of the house to-day. So it is not necessarily a case of paying very high salaries to get efficient business men. I would also point out that although the insurance companies have not failed, it has been due largely to the fact that we have most efficient civil servants looking after their integrity. It is only a few years ago, on December 1, 1931, that a special order in council had to be passed to enable insurance companies in Canada to value their securities above the market price. I know that this was not done possibly except for the sake of one insurance company, but all the insurance companies had to accept what was being done.

I would also refer to the fact that the general manager of that one particular company was getting, and I suppose he is getting to-day, no less a sum than $100,080, and in spite of that nice little salary his company was so badly managed that he had to write off not only millions but hundreds of millions in the value of its securities due to the fall in the value of common stocks owned by his company.

The minister also referred to the very low cost of Canadian insurance. I wonder if he really heard the figures that were given by the hon. member for Wetaskiwin who pointed out that in the years 1930, 1931 and 1932 lapsed policies amounted to $1,200,000,000 and surrendered policies which people could not continue to carry to no less a sum than $787,000,000. Surely there is something wrong with our life insurance business when over two billions of dollars of insurance has to be dropped in the course of a few years. Does that not show, as the mover of the resolution very well pointed out, that life insurance is too expensive. It is too expensive partly because of the enormous amount of overlapping. I understand that to get the first premium it costs, according to the figures given, anything from 48 to 75 per cent of the amount of the first premium.

The Minister of Finance started out and tried to build up a case against state life insurance, but he certainly cannot say with the short term insurance we have to-day, even though no insurance company may have failed, that we are giving the people of Canada

an opportunity to get reasonable life insurance.

Some years ago I happened to be taking out some insurance in one of our western cities, and I said to the chief official of the company, "You know, I am of the opinion that life insurance should be a state function." And to my surprise he replied, "Of course it should. That is one of the functions the state should look after, but as long as the state is not doing it, we take the opportunity of going into the business." That is largely the reason why private insurance has gone ahead so far, because, although we have a little government insurance to-day, it is not being pressed while private insurance is being pressed very strongly. It is carried on by high pressure salesmanship, and the people pay, and pay very dearly. The point is that at the present time those who need insurance and should have it cannot get it. They have to pay too much for it, and when it comes to a time like we have had in the last few years, when conditions are hard, many who carry life insurance have to give up their policies.

Mr. MICHAEL LUCHKOVICH (Vegreville): I should like to give some time to this resolution, Mr. Speaker, but owing to the fact that I have a resolution to follow immediately, I shall have to give the resolution of my hon. friend from Wetaskiwin (Mr. Irvine) the minimum of attention in order that I can give the maximum to my own, interested as I am in insurance.

My remarks on the resolution now before us are based on certain statements made by the Minister of Finance (Mr. Rhodes). He predicates his remarks on individual initiative and also on the rights of private property. He began his speech by stating that he was proud of insurance as it is being conducted to-day in Canada by the private companies, but I would point out that the point is not so much whether we are proud of the present insurance system as run by private individuals in this country as it is a question whether the business could not be more effectively and efficiently and cheaply run by the state.

The Minister of Finance instanced insurance in the civil service as a criterion by which we could judge the business of insurance if controlled by the state, but he gave no facts or conditions whatsoever in regard to that, and therefore in this house at least to-day we are not in a position to measure what success state insurance would have as judged by insurance as it is being carried on in the civil service to-day.

[Mr. Spencer.]

The minister also said that the present day insurance companies are doing everything possible to prolong the life of their policy-holders. But it seems to me that insurance as it is controlled to-day by private enterprise is more interested in the financial health of the shareholders thereof than in the health of the policy-holders. Only two years ago the government had to come as a sort of physician to the rescue to save insurance companies through an order in council by pegging their shares, that is, by striking an average price over five different periods. If the minister predicates his statement on private enterprise, I might say that the state meanwhile has usually shown far greater solicitude for the rights of property than for the rights of man. Joseph Chamberlain made this statement some years ago:

> The rights of property have been so much extended that the rights of the community have almost altogether disappeared, and it is hardly too much to say that the prosperity and comfort and the liberties of a great proportion of the population have been laid at the feet of a small number of proprietors, who neither toil nor spin.

Most of those shareholders surely are in the position of those who neither toil nor spin. Certainly a great deal of the exorbitant profits which they have made have not been earned through any excessive toiling or spinning. Mr. Lewis, another authority on insurance, has this to say in regard to state insurance control:

> The state should move cautiously and tentatively in the direction of experiment; but, as the evolution of the modern state plainly shows, must move. It must often subordinate the independence of the individual to the general good; it must work out many of its beneficent purposes by collective means; it must sometimes compel the individual to do that which he ought to be willing to do.

I maintain that nothing said in the house to-day shows that insurance could not be efficiently and effectively carried on by the state. Notwithstanding the fact that the Minister of Finance (Mr. Rhodes) has said that the insurance business is too intricate to be carried on by the state, I still hold that it is possible for the state to carry on insurance very efficiently and effectively. It is no great mystery; the business of insurance in both this country and all others is to-day the safest I know. The application of the insurance principle, in my opinion, presents no great difficulties or risks. It is not, as has been suggested, some venture upon unknown seas; it is the safest business in the whole world. It is not as complex as the Minister

of Finance would have this house believe. Therefore, I think for the state to assume the business of insurance would not involve its entering upon any new untried and dangerous ground. Insurance under government operation would be purely mutual, and if it should be administered on a basis of profits, the profits would certainly go to the state treasury rather than to the pockets of shareholders of private companies as is the practice at present. State ownership would prevent the system of interlocking directorship which we have in this country at the present time and through the instrumentality of which $200,000,000 in worthless shares have been thrown upon the present insurance companies to the detriment of the policyholders thereof.

The first and fundamental principle of insurance is mutuality, the principle of each for all and all for each. Doctor Gerhart has said this in regard to insurance control by the state:

> All human progress which is essentially an increase in social well-being has arisen from some improved method of cooperation, whether this new form of cooperation has resulted from private initiative or from public compulsion in obedience to enacted law. There is probably no other form of cooperation which is so fundamentally valuable to the cooperative members, indiscriminately, rather than particular members, than insurance.

In insurance is found every essence of cooperation. If that is so, I hold that any cooperative movement would be more successful, controlled by the state than it is at the present time, controlled by private individuals. In Italy there is a criterion by which we can judge state insurance. They have a monopoly of insurance there; by the Italian law of 1912 insurance in that country has been made a state monopoly. The issue of all policies of life insurance is entrusted to a national institute of insurance, a department of the state to which the state treasury issues the money necessary for its operations and whatever profit results does not go to the normal expenses of the state but is set aside in toto for the specific social purpose of providing pensions for workingmen.

Switzerland also provides for state monopoly of insurance, especially in the case of accidents and sickness. New Zealand at the present time has a system of state insurance, although competition of private companies is allowed there. I believe, fundamentally, scientifically and mathematically, state control of insurance is advisable, practicable and possible. If we had state insurance it would certainly aid the Minister of Finance in financing the affairs of Canada more efficiently than is being done at the present time. Bonds could be sold to these insurance companies and I do not see why investments should not be limited to government bonds rather than allow the managers, presidents, administrations of the present concerns to gamble in all kinds of worthless shares and even in all sorts of worthless mortgages. In insurance as it is being carried on to-day by private concerns, there is too much overhead, too much overlapping, too many agency branches overlapping throughout the country. It has been suggested that if insurance were made a government monopoly, this would entail the confiscation of the buildings of these private concerns, but in Edmonton most of the buildings in which these insurance companies do their business do not belong to the companies; they are rented, and most of the business in Ottawa is also done in rented buildings. It is only at headquarters in Toronto and similar places that they actually own their buildings.

I shall conclude with the remark that under state supervision of insurance the families and the policyholders would be better safeguarded than they are now under privately owned insurance companies.

Mr. WILLIAM IRVINE (Wetaskiwin): I am glad to say, Mr. Speaker, that there is not a great deal to which to reply. Not much objection has been taken to the resolution, and the arguments of those who did take objection were not effective. The Minister of Finance (Mr. Rhodes), was the chief objector to the motion. He, speaking for the government of course, says the government will not let it be thought that they are willing even to consider such a resolution. Let me say to my hon. friend that the government might better consider it. Let me also say that it is only too obvious that so far the government have not considered it. This is not a question that can be thrown aside with that suggestion of untouchability. I hope my hon. friend will not take that attitude with regard to other matters of this sort. The government has a duty to consider whether the people of Canada can get safer and cheaper life insurance through government ownership and control than through private companies.

The Minister of Finance says that while I stated that life insurance companies in Canada are perhaps as good as those in any other country, I suggested the contrary, when I quoted findings with regard to insurance companies in New York and pointed out that the same might be true of some companies in

Canada. When I say that Canadian companies are as safe and as efficiently managed as any others I also say that they are not any better managed or any more efficient than companies in other parts of the world. So when we find certain conditions in connection with well-managed and safe companies in New York it is reasonable to suppose that you could find pretty much the same thing in regard to Canadian companies, particularly when some of those New York companies are doing business in Canada.

The minister also said there was no criticism to be made about high salaries in Canada. Again I want to tell him that some of the companies to which I referred do business in Canada. And may I suggest to him that I know there are managers of insurance companies in Canada getting salaries they are incapable of earning, and they can do that only at the expense of the policyholders.

The minister dealt with the liabilities involved, but I am bound to say that I know no more about the liabilities involved than I did before the minister started. No doubt that is my fault, but so far as I am concerned his presentation was so utterly confusing that I was not able to follow it. I would say that if the liabilities have to be taken over and met in the way the Minister of Finance tried to describe I am sure this is not the government to do it; we will have to wait until we get some other government, for apparently there is not the knowledge of insurance or the appreciation of its importance to the average citizen that we would expect from a government that could be expected to handle adequately a business of that sort.

With regard to the compulsory feature, the Minister of Finance thinks he has knocked my whole argument into a cocked hat when he asks: What would you do with a man who could not or would not pay his premium? Well, what do you do with anybody who does not obey the law of the country? There must be punishment of some sort. What is done now? When a man cannot pay the premium charged by private companies, and dies leaving his children starving, what do we do? The community takes care of his children and feeds them, whether it be the municipality or the provincial government. So it could not be any worse under compulsory insurance. But I am quite sure that if the minister turned that great mind which he undoubtedly possesses to the simple little problem of what to do with a man who refuses to pay his premium under a compulsory system he could find some way of dealing with the matter. I believe I could.

Then he says: Are we to look after the lame, the halt, and the blind? What else is insurance for? What does my hon. friend suppose it is for? Would he look after the strong and those who can foresee everything? Such people do not need to be looked after. It is the very essence of insurance that it takes care of the lame, the halt and the blind; if it does not do that it is not worth having. As I pointed out, we, as a nation, have to do that already whether we go into the insurance business or not. Having then to do it for those who cannot pay anything at all surely we should not allow private companies to skim the cream by taking the business of people who can pay and leaving the state to carry those who cannot.

Then as to what is to be done with the insurance business in foreign countries, are we as a nation to go into foreign countries to do business? No, let us mind our own business. Our business is to insure the people of Canada. We are not interested in trying to insure Americans and the people in other countries; we will let them look after their own business.

Then the minister said that in New Zealand they have private companies operating in competition with government insurance, and if I got his figures correctly I think they were to the advantage of the private companies.

Mr. RHODES: Four to one.

Mr. IRVINE: I would expect that. Who would not? If private companies in New Zealand had as much influence over national affairs as private companies have in Canada, I wonder it is not six to one. Let me tell the minister that it is not possible to carry on national insurance schemes side by side with private companies in Canada; it simply cannot be done. To quote figures of that sort is purely and simply absurd. I know of no nationalization proposal in this country which when attempted has not been used solely with the idea of proving that it cannot be done—thus safeguarding the preserves of private enterprise and contending from the designed failure of public ownership efforts, that only private companies can do the business efficiently. Certainly I do not wonder at hon. gentlemen, or certain gentlemen who may not be honourable quoted by the minister, being willing to let the nation go into insurance in competition with private companies. Of course they would leave the nation to do all the educational work respecting insurance, and we may be sure they would try to reap all the business for the private

companies. That is what they do in New Zealand; that is what they would do here under that system. For my part I would certainly vote against a system of government insurance on a voluntary basis and in competition with insurance companies.

I think that covers all that the minister said. I still think, with my colleague who has just sat down, that no argument has been advanced to show the Canadian people why the government should not manage the insurance business of this country for the benefit of the people of this country. That question still remains to be considered. But we are told that the government will not even consider it. Well then, we shall have to look for a government that will consider this and other questions of like importance.

The house divided on the motion (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Bothwell
Butcher
Carmichael
Gardiner
Garland (Bow River)
Gershaw
Hanson (Skeena)
Howden
Ilsley
Irvine
Lucas
Luchkovich
Macphail, Miss
McKenzie (Assiniboia)
Mitchell
Spencer
Totzke
Weir (Macdonald)
Woodsworth—19.

NAYS

Messrs:

Anderson (Halton)
Arsenault
Arthurs
Barber
Beaubier
Bell (St. Antoine)
Bell (St. John-Albert)
Bennett
Boulanger
Bowen
Bowman
Brown
Burns
Bury
Cahan
Chaplin
Charters
Chevrier
Cotnam
Cowan (Long Lake)
Davies
Dickie
Duff
Dupré
Duranleau
Embury
Ernst
Factor
Fraser (Cariboo)
Gagnon
Garland (Carleton)
Gobeil
Golding
Gordon
Goulet
Hall
Hanson (York-Sunbury)
Hurtubise
Kennedy (Winnipeg South Centre)
Lawson
MacLaren
MacMillan (Saskatoon)
MacNicol
McGregor
McIntosh
McLure
McPhee
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Morand
Motherwell
Mullins
Myers
Neill
Parent
Plunkett
Porteous
Price
Quinn
Robinson
Ryerson
St-Père
Senn
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spankie
Spence
Sproule
Stanley
Stevens
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Selkirk)
Swanston
Tétreault
Thompson (Lanark)
Tummon
Veniot
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Wright
Young—91.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted I would have voted against the resolution.

Mr. McGIBBON: I was paired with the hon. member for Quebec South (Mr. Power). Had I voted I would have voted against the resolution.

Mr. LOUCKS: I was paired with the hon member for Macleod (Mr. Coote). Had I voted I would have voted against the resolution.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted in favour of the government giving consideration to the question.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted I would have voted against the resolution.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the resolution.

Mr. BEAUBIEN: I was paired with the hon. member for Compton (Mr. Gobeil) I did not know how he was going to vote, so I did not vote.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted I would have voted against the resolution.

Mr. KENNEDY (Peace River): I was paired with the Minister of National Defence (Mr. Sutherland). Had I voted I would have voted for the resolution.

Mr. ROBERGE: I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted against the resolution.

Mr. FAFARD: I was paired with the hon. member for Levis (Mr. Fortin). Had I voted I would have voted against the resolution.

Mr. BRADETTE: I was paired with the hon. member for East Algoma (Mr. Nicholson). Had I voted I would have voted against the resolution.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CANADA'S FOREIGN POLICY

PROPOSED REFERENCE TO INDUSTRIAL AND INTERNATIONAL RELATIONS COMMITTEE FOR STUDY AND REPORT

Mr. MICHAEL LUCHKOVICH (Vegreville) moved:

That, in the opinion of this house, the whole subject of foreign policy of Canada be referred to the committee on industrial and international relations for study and report.

He said: Mr. Speaker, the resolution moved by myself and seconded by the hon. member for Winnipeg North Centre (Mr. Woodsworth) reads as follows:

That, in the opinion of this house, the whole subject of foreign policy of Canada be referred to the committee on industrial and international relations for study and report.

My remarks on this motion might be prefaced by the question: Has Canada a foreign policy and, if so, what is that foreign policy? The foreign policy of Canada should be considered relatively in order to arrive at any intelligent understanding of the problem. Thus, the promotion of our commercial and financial interests abroad, the provision of maximum security at home and the minimum of commitments in order to achieve this end, just about sum up what is involved in such a policy. If Canada has a foreign policy, very few people realize the fact or knowing so, have an intimate knowledge of the working thereof. This lack of knowledge is not limited to the rank and file in Canada. I wonder how many hon. members of this house could explain Canada's foreign policy? Yet in this great age of interdependence of nations a knowledge of foreign policy is absolutely essential. More and more clearly are people beginning to realize the economic unity of the world and the impossibility of any country living unto itself. Things have come to a pass where our neighbour's troubles are merged with our own difficulties and where a solution of the latter cannot be hoped for without a solution of the former. While foreign policies must always envisage the possibility of war, they must at the same time strive peacefully for peaceful objects. At the present time the world is clamouring for peace, but there is no peace. It awaits the return of prosperity, but there is no prosperity, for we cannot have the latter without a propagation and realization of the former. We cannot have our cake and eat it too; we cannot make an omelette without breaking the eggs. We cannot maintain peace without the application of the essential contributory factors; we cannot return to prosperity without a cultivation of the peaceful arts and pursuits incidental thereto.

Canada's foreign policy primarily must be considered from two angles. First, our status in the British commonwealth of nations and, second, our attitude to the rest of the world, especially the United States. Our foreign policy must really be considered from a threefold angle. First, there is our position on the North American continent with our close proximity to the United States; there is our attitude to Great Britain and the other dominions, and there is our attitude as a member of the League of Nations. For many years Canada was regarded as a colony, as a mere child that had to be looked after until it reached the age of maturity. This weaning process lasted until comparatively recent times when Canada began to ask for the right to do things on her own initiative. Prior to 1914 everything was conducted through British diplomatic channels but consequent upon a series of imperial conferences as well as the passage of the Statute of Westminster in 1931, a large degree of autonomy was allowed the various dominions. Therefore, Canada to-day is considered as an equal partner in the British commonwealth of nations, a sovereign state, a sort of daughter in her mother's house but mistress in her own. If Canada is now on an equality with the mother country, as has been said already, it would naturally imply freedom of control by Great Britain in the conduct of the foreign policy of this country but the actual conduct of foreign affairs seems likely to be carried on for some time yet by Great Britain.

Canada's weakness in this respect is due to the lack of a developed foreign policy technique, an experienced personnel and a diplomatic tradition. There is also the tendency of each sovereign member of the commonwealth to adopt the regional rather than the collective idea of security. The term "general policy" is used somewhat loosely for the diversified interests of the various members of the commonwealth will preclude any real commonwealth foreign policy. The foreign

interests of the members of the commonwealth being regional rather than general, foreign policy machinery possibly will have to be set up to strengthen the political co-operation between those members of the commonwealth which, in a specific region, may have mutual interests or even mutual conflicts. For instance, Great Britain and Canada are interested in the United States and that country must be considered as the keystone of our foreign policy.

The British Empire is not a political but a moral entity, almost wholly dependent for its existence upon sentiment. All the members thereof mutually enjoy certain traditions, laws and institutions but it is doubtful if any general foreign policy would be possible except in the case of certain major issues. In so far as security is concerned, as I have said already, both Great Britain and Canada must regard the United States as being the keystone of their foreign policy, but the same could not be said of South Africa. For instance, what connection is there between New Guinea and the Canadian Northwest? Living in close proximity to a powerful neighbour, Canada certainly must have interests in common with that neighbour. There are many who believe that both the United States and Canada are opposed to the superstate idea of the League of Nations as well as to any foreign entanglements in Europe. The Monroe doctrine gives Canada potential protection from foreign attack while the British navy affords both actual and psychological security on both coasts. Canada's position on the North American continent and her growing interests in the Pacific identify still further her relations with the United States in connection with far eastern questions.

Anomalies in the foreign policy situation must undoubtedly appear. While the United States affords Canada a potential protection, the Dominion of Canada nevertheless is not in the least inclined to join any pan-American union that would involve Canada in contentious issues between the United States and the Latin American republics. Any discussion of foreign policies would then have to take into consideration the question whether or not Canada should undertake political and economic obligations in matters in which this country has merely a remote and indirect interest.

As regards British-Canadian relations it has often been asked whether such obligations should bind Canada as a fully sovereign power or state. The following wording in Article IX of the Locarno Treaty of Mutual Guarantee, 1925, has been recommended as a remedial routine practice:

> The present treaty shall impose no obligation upon any of the British dominions, or upon India, unless the government of such dominions, or of India, signifies its acceptance thereof.

Our associations with Great Britain have provided us with a large available market as well as with military and naval protection. On the other hand, it has involved us in many controversies and conflicts. What therefore, Mr. Speaker, shall be the attitude of Canada in the event of British participation or entanglement in another European or far eastern war? Competent observers throughout the world feel that war is imminent in both these fields. Is the entrance of Great Britain to involve Canadian participation as well? That is a matter which I think is worth discussing in the committee on industrial and international relations.

The League of Nations, to which Canada belongs, and which in theory at least was supposed to be a sort of superstate, bears little relation to its pattern, the covenant. In an ideal international society the League of Nations might provide complete security, and in addition enable its members to deal justly with such matters as trade, tariffs, currency, and so forth, but the events of the past three years indicate that we have not yet reached this utopian stage, and it is desirable, while keeping the league ideal in mind as our ultimate goal, to examine the realities of the world situation. In a real world we must deal with conditions, and not theories. The League of Nations, while it is an ideal, has nothing more practical to offer than persuasion to set right a world where might still seems to be the only dominating force. No one will say that Japan had any just claim to Manchuria, but she took it nevertheless with the tacit consent of countries which looked upon that action as a check upon Russian designs in Europe.

How are you going to deal with nations that regard their own interest as primary and that of other countries as secondary, or which consider their own survival alone as important, and the destruction of other countries as a matter of indifference? How are you going to apply the Kellogg peace pact to outlaw wars when at the same time it permits of defensive war? Even Japan has claimed that her recent warlike activities in Manchuria and China were prompted by defensive considerations. Other countries have also done the same thing in the past.

In the present unstable condition of Europe most of its countries are more interested in political and defensive relations than in economic. Unhampered by an impending attack, Canadians doubtlessly think more of economic relationships when dealing with foreign policies. There is no Versailles treaty to bother Canada and the United States, but that treaty has split Europe into two clear-cut camps—the status quo and revisionist groups, which will sooner or later come to grips on the European continent. The Versailles treaty, instead of settling matters, has only aggravated the situation. It has turned Europe into a sort of political and ethnological crazy quilt. Frontiers were fixed on no principle, ethnological, geographical or equitable, but were rather dictated by animosity, vindictiveness, Chauvinism and greed. The dispossessed countries swear to regain their lost territories, and the victorious states just as vigorously defend their ill-gotten gains. With Europe virtually sitting on top of a volcano which might at any moment erupt and light a flame throughout the world, the formulation of a Canadian foreign policy in regard to that continent is a matter of extreme delicacy and great caution.

What interests Canada is the possibility of British participation in such a war, and the effect of such participation on this dominion. Canada has had some experience of the external sacrifices and of the internal dissension caused by such participation, and it is a real question whether this dominion would survive as a political entity such another experience. Should Canada refuse the mother country support, or for that matter, should the remainder of the commonwealth refuse support to any one of its members whose existence was threatened, this one unifying tie will have disappeared and the empire as we understand it will have ceased to exist. To paraphrase the words of Hamlet, to be or not to be a member of the British Commonwealth of Nations would then be the question. Pulling somebody else's chestnuts out of the fire is too poor a reason for Canada to get mixed up in a war in which she is not at all directly interested, but on the other hand the breaking-up of the empire might be too great a sacrifice for her to stay out. Popular opinion in Canada would then have to be the deciding factor as to the action to be taken; for the empire is not a rigid but an elastic organization composed of the constituent elements, owing a common allegiance to the whole, but retaining the right to control its own domestic and foreign affairs. If it is not desirable that Great Britain or any of the dominions should control those foreign affairs that are of primary concern to one dominion, so it is equally impossible and undesirable for the dominions to seek to control those foreign affairs which primarily affect Great Britain. But where the issues are of primary concern to all parts, they must then be dealt with by the empire as a whole. In the last great world war public opinion in the various dominions decided on participation along with the mother country. But a similar decision in another such contingency may not be unanimous. Foreign affairs nowadays have to do very largely with economic questions such as trade, tariff, coal or oil concessions, international debts, immigration, fisheries, power or navigation rights in boundary waters. As has already been pointed out by me, the tendency of Canada is to coordinate foreign relations with her economic relationships. Our policy, therefore, is formulated with a view to foster or improve our trade and commercial relations. For many decades the European market has absorbed the surplus products of this continent such as wheat, cotton, oil and many highly finished manufactures.

Mr. ARTHURS: Cotton?

Mr. LUCHKOVICH: United States cotton. I had reference to this continent. Of late years, however, the accumulating bankruptcy consequent upon the last war has left Europe so weak and impoverished as to make it impossible to call forth anything like the trade the European market used to command in prewar days. Extreme economic nationalism is not only strangling trade among the various countries of Europe but directed toward keeping out Canadian products from what was and still might be a valuable market. It has also been suggested that Canada's position on the North American continent and her growing interest in the Pacific make her foreign policy on far eastern questions usually identical with those of the United States, that is, as regards matters of defence and security. Yet trade with the far east is a very desirable object. In 1930 the trade mission which was sent from this country to the orient to investigate trade possibilities there brought back the report that China and Japan constituted Canada's greatest and richest potential market. But how is Canada going to reconcile her desire for security with her desire for better markets? In this regard how is she going to reconcile her alliance with the United States with her

status in the British commonwealth of nations? In an article dated June, 1933, in The Round Table, it is stated:

The strain put upon the relations between Canada and the United Kingdom because of the divergence of policy between the governments of the United States and the United Kingdom on the Sino-Japanese dispute has not yet had time to show its full effects. It may be that Sir John Simon has thrown Canada into the arms of the United States, as Professor Arnold Toynee sugested at Chatham House in February of last year. Be that as it may, the events of the last two years have shown how difficult it is for Canada and the United Kingdom to cooperate on foreign policy in matters concerning the far east, because of that fact that the foreign policy of the United Kingdom is at present dominated by European considerations, whereas the interests of Canada will in the future be mound up more closely with Far Eastern than European developments. But only a few Canadians are at present giving any consideration to the effect of far eastern affairs on Canada's future relations with the United Kingdom. Most of us are fervent believers in the doctrine of solvitur ambulando.

Since Canada has secured autonomy in the imperial field, she will naturally strive to secure or enlarge her activities in the international field. In other words, a foreign policy will have to be developed in Canada. Hitherto, being still in the colonial stage, all Canada's foreign responsibilities were handled by the mother country; but Canada having come of age, as it were, the necessity for clarifying her ideas on the realities of the international position has become readily apparent. The need is especialy urgent in view of the present right of each dominion to negotiate directly with foreign governments and also the established principle that this dominion is bound by a treaty signed by its representatives.

An attempt has been made in this short address briefly to touch upon some of the political combinations on which our foreign policy must be based. Great Britain as the mother country, the United States as a friendly neighbour and powerful state, and the far east as a potential market or potential source of attack, form a triangle in our polical existence around which most certainly our foreign policy has to be formulated. Of course in this regard the continent of Europe cannot be ignored or excluded, but Europe is not as immediate a menace as is the far east. The aim of this address is to draw attention to Canada's capacity to form and pursue a consistent foreign policy and to this end to point out to the house the necessity of a committee to study the whole matter. This may be a strange procedure, but in this regard I have a precedent in the United States which has a foreign relations committee to which matters pertaining to foreign policy are usually referred. This body incidentally has power not only to advise, but also to withhold consent. In Canada, however, the matter of foreign policy is solely in the hands of the federal government. Few members know what is being done in this connection since the matter in Canada is not subject to constructive parliamentary criticism as it is in the United States. In view of Canada's rapid development and increasing international relationships it is thought the subject of foreign policy should receive greater consideration both within and without parliament. It has been suggested that to this end courses for the training of graduates in diplomacy should be given in all our Canadian universities and certainly a great deal more attention should be paid to this subject in parliamentary spheres. I know of no better body where this subject could be discussed than the committee on industrial and international relations. In view of our growing importance in the international field, a knowledge of foreign policy by parliament and the public at large is urgent. As to the actual administration of foreign affairs, there is no question that a competent and sufficient staff of properly trained men is necessary, but as to the actual elucidation of the matter and the dissemination of knowledge on such subjects, I know of no better method than to refer the whole matter to this committee on industrial and foreign relations for study and report.

If Canada is now a grown-up member of the commonwealth, then it is time that she should play her part like a mature person. This continual tugging at the maternal apronstrings and running to cover under the parental wing, as was Canada's metaphoric position prior to the passing of the Statute of Westminster and the various imperial conferences of recent times, most certainly would not be in keeping with the dignified status we now have in the British commonwealth and as a member of the League of Nations. If Canada is now daughter in her mother's house and mistress in her own. her policy should be formulated accordingly. The fearful cry-baby colonial inferiority complex of the past should make way for a more mature and dignified dominion status attitude. One obvious indication of such a stage of maturity would be the formulation of a real and genuine Canadian foreign policy. If Canada really is a nation, as we have recently been told she is, then one manifestation thereof would certainly be the formulation of such a policy.

I do not see why the whole matter of Canada's foreign policy should not be con-

sidered and discussed by the committee on industrial and international relations for study and report. Why could not the various delegates that we have been sending to Europe and the League of Nations during the past few years give some report to the house on what is going on over there? We have at least two former ministerial delegates to the League of Nations, in the persons of the Minister of Railways (Mr. Manion) and the Minister of Justice (Mr. Guthrie), who most decidedly could tell us a great deal about it. This house could gather a vast amount of information if the matter were dealt with by the industrial and international relations committee. If the government is fearful of divulging certain information to the public at large it could easily ask that committee to hold some of its meetings in camera, or else give orders to the press not to report matters discussed therein. This is no unusual request, as matters of foreign policy are continually being discussed in the United States committee on foreign relations. Why, then, the reluctance to set up a similar committee in Canada? I am not asking for a new and separate committee; all I am requesting of this house is that the whole subject of the foreign policy of Canada be referred to the committee on industrial and international relations for study and report.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to be allowed to congratulate my colleague (Mr. Luchkovich) on his very fine presentation of what I regard as a most important problem. As I came into the chamber to-night a friend said: The trouble with this resolution is that it deals with a matter that is very academic. I am afraid that pretty well represents the attitude of the large majority towards these questions; yet when we come to think of it, a few years ago we passed through the great world war which meant the loss of the lives of a large number of Canadians and the burden of an almost intolerable debt. One might think that having been precipitated into that conflict we would from then on take rather seriously our relationships with other nations. We are carrying the burden entailed by paying pensions and trying to raise the money to pay the interest on the war loans, and yet have little to say, and I believe are thinking very little, about our world relationships.

Last September in the city of Toronto there was held under the auspices of the Canadian Institute of International Affairs a British commonwealth relations conference which gave a good deal of attention to the question of Canada's foreign policy in relation to that of the empire. Although this conference was entirely unofficial and its meetings were held in camera, the discussions which took place were very illuminating indeed and ought to be of service throughout this country. I will not give the names of the delegates from the different dominions, other than perhaps those of the United Kingdom as they are best known to most of us. They included Viscount Cecil, Right Hon. Sir Herbert Samuel, Donald B. Somervell, Sir John Power, Philip J. Noel-Baker, Mr. Gathorne-Hardy, Hamilton W. Kerr, Professor Arnold J. Toynbee, John W. Wheeler-Bennett, and Professor A. E. Zimmern. That perhaps will give some idea of the character of the men who sat for some days and discussed questions of the kind referred to by the hon. member for Vegreville (M. Luchkovich)

I should like to read two paragraphs from the report of the rapporteur of the commission which dealt with the machinery required for cooperation in foreign policy. These paragraphs bring us right to the heart of the resolution before the house to-night:

> There was general agreement that the supply of information furnished to dominion governments by the foreign affairs department of the Dominion office was full and regular, communications passing from the foreign office daily to those governments through the Dominions office. Copies of these documents were also supplied regularly to all the high commissioners in London, except to the High Commissioner of New Zealand who is content to receive only such documents as he asks for specially. An Australian member that the Australian liaison officer was able to perform a very useful function in amplifying and interpreting information by daily personal contact with the officers of the Dominions office, Foreign office, service department and other offices.
>
> There was an equally general admission that the information forthcoming was neither passed on to nor discussed adequately by members of parliament, by the newspapers, or by the public. It was recognized that some of this information was necessarily confidential, but it was believed that much of it might profitably be passed on to parliament and the press. It was suggested that classification of Foreign office information as confidential, discretionary, or free might facilitate its dissemination, but it was objected that classification might make it easier for a harassed minister to shelter himself behind confidential dispatches. The trouble went deeper than that. It was noted that interest in the parliaments of South Africa and New Zealand at all events in the work of the I.L.O. was much greater than in the political work of the league and external affairs generally, partly at least because regular reports on the work of the I.L.O. were laid on the table. Generally speaking, in all dominions it was admitted that too often information on external affairs could only be extracted by questions in the house.

I think probably that statement, which was compiled to represent the consensus of opinion of those present from all the dominions, fairly described the position in our own country.

Until very recently, in fact until the war, there was only one foreign country with which we had any close associations, the United States. And since we have always had an unguarded border there has been very little danger of military action there. Our relationships with the United States, on the whole, have had to do very largely with international trade. Possibly it is owing to that fact as well as to our distance from Europe that it is only in recent years that any question has arisen with regard to general world policies. But I submit that, as has been pointed out so clearly by the hon. member for Vegreville (Mr. Luchkovich), we have come to the point when we can no longer go along indifferent to the great world movements about us and to our relationships with the other nations. Whether we like it or not, since the war Canada has been drawn into world currents.

First of all, there is the question of our relationship to the United Kingdom and the whole British Empire. If all the parts of the British Empire were self-governing dominions, the question would be exceedingly complicated, but in addition we have dependencies of all kinds, crown colonies, protectorates and so on, in almost every part of the world. It cannot be gainsaid that the conquests of Great Britain in earlier years have laid an enormous burden upon the motherland. As we look back over history we must confess that to a very considerable extent empire has meant and probably still means exploitation.

Without going into that matter, however, I would point out in this connection that so far as we are concerned, the policies of Great Britain in Egypt, in India, in Afghanistan, in Japan and in remote islands of the sea might very easily involve her in war, and if Great Britain is involved in war it is a question as to where Canada stands. It is all very well to say that Canada would respond immediately as she did in 1914. I am not at all sure of that. The question is whether we, with our status as a self-governing dominion, can be or should be called upon to join with Great Britain if she gets into some difficulty over policies concerning which we had no control whatever, and in the making of which we have had no voice. That is an exceedingly important question.

Not long ago a prominent Canadian public man suggested that Canada should withdraw from the League of Nations on the ground that matters were becoming so complicated that possibly it would be as well for us to get out while the going was good. I suggest, Mr. Speaker, that the selfsame argument that would lead us to leave the League of Nations would force us to sever our connection with the British Empire. The members of the British Empire are almost as far-flung as are the members of the League of Nations itself. The fact is that as long as we have a common crown we cannot very well remain indifferent to the policies of the United Kingdom. So surely it is an important thing that at this stage, in a time when we are not yet involved in war, we should know what our policy would be in case certain contingencies should arise.

Not only is Canada a member of the British Empire; she is also a member of the League of Nations, and as a member of the league she has undertaken some very serious responsibilities. I do not think most hon. gentlemen have stopped to think what really is involved in our membership in the league. I should like to quote two paragraphs from the Treaty of Peace with regard to our commitments under the covenants. Article 16 states:

> Should any member of the league resort to war in disregard of its covenants, under articles 12, 13 or 15, it shall ipso facto be deemed to have committed an act of war against all other members of the league, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state, whether a member of the league or not. . . .
>
> The members of the league agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking state. . . .

It may be said that we are not going to take these covenants very seriously.

Mr. McGIBBON: Japan did not, did she?

Mr. WOODSWORTH: Neither did Canada; if we had done so, Japan would not have gotten away with things as she did. That treaty of Versailles, which at the time was supposed to give promise of an era of peace, surely ought to mean something to us. If it means nothing whatever, I suppose the only thing for us to do is to get out of the league, but at the present moment we are members

of the league and as such are bound in honour, as well, I take it, as by what might be considered international law, to live up to our obligations.

More than that, however, we are not only members of the British Empire and of the League of Nations; whether we like it or not we are living in a closely integrated world. It is all very well to say that we should get out of the British Empire, if anyone does say so, or that we should get out of the League of Nations, as somebody has suggested. But we cannot get out of the world, and to-day the world is one vast neighbourhood. We can no longer maintain the policies of isolation which were possible for the United States and Canada until a comparatively few years ago. In the old days we used to think we could drive here, there or yonder without anyone to say us nay. To-day we cannot get through the city streets without rules of the road, traffic policemen and traffic signals of all kinds. In a modern, congested city street it is simply impossible to get along without having some very definite conventions by which we may determine our relationship to our neighbours.

That is the kind of world in which we live to-day. We cannot possibly live an isolated life. In the old days we might very well have said, "Well, if China and Japan want to go to war let them go to it; we will stay safely on this side of the Pacific." That would be quite an impossible thing for us to-day. Surely we have not forgotten that it was a murder away in Serbia that was the match that brought about the conflagration which spread to all parts of the world. We can no longer remain isolated; whether we like it or not we are in contact with the other nations of the world, even those in the most remote parts, and in my judgment we must build up some sort of world arrangement, some collective system, or we can look forward only to chaos and disaster in the years to come.

Without developing that thought further, though I think it is a vitally important question, I should like to point out that so far as this house is concerned we have in practice very few opportunities for the discussion of foreign policy. It is true that we may ask a question of the minister to which generally speaking, we do not receive any very illuminating answer. We may wait throughout the session until estimates are under consideration. Why it is, I do not know, but frequently the estimates for the Department of External Affairs come up for consideration about the last day of session when every hon. member is tired out and wants to get away. I have noticed year after year, that there has been practically no chance for careful consideration of these matters.

I do not know that I could better illustrate the situation than to describe what occurred in connection with the very question concerning which one of the members interjected a remark, namely, the Manchurian affair. On November 18, 1932, I asked the Prime Minister the following question as to Canada's policy in the far east: "What, if any, is the policy of His Majesty's government in Canada in regard to the situation in the far east and to the Lytton report?" His reply, as it appears in Hansard of November 21, 1932 is, in part, as follows:

> Perhaps I can best serve what I conceive to be the public interest by indicating that it is not thought desirable to enter into a discussion at this time with respect to a matter of this kind, for it not only cannot serve the public interest but would be anticipating action which might be taken, and therefore is to be deprecated. . . . Our relations to this matter arise primarily from the fact that we are a member of the league of nations and we must sit on that report and determine what action shall be taken to give effect or otherwise to the recommendations therein contained . . . but the broad general rule is that a matter that is sub judice, that is to say, a matter that is being considered by a body charged with authority as is the league of nations—the assembly—with quasi judicial powers . . . should not be the subject of expressions of opinion publicly.

That, to me, is a most extraordinary statement. The League of Nations, a deliberative body of which we were a member, were considering a report. The league was not a court; the matter was not sub judice, but was one for general consideration. Yet, we in this House of Commons were denied the opportunity on that occasion of either discussing the matter or obtaining a statement as to the policy of the government.

The next reference to this matter was on December 8, 1932, when, at Geneva a statement was made by Mr. Cahan, Secretary of State, which aroused almost consternation across Canada. In an article appearing in Interdependence, March, 1933—a journal issued by the League of Nations Society in Canada—Professor Soward made the following devastating criticism:

> A speech which never once endorsed directly league principles, which departed from our position of last March, which singled out the injured party for most of the recrimination, is not the sort of speech which some of his distinguished Conservative predecessors at Geneva, like Sir Robert Borden, Sir George Foster or Sir George Perley would have made.

It falls far below the standard they set. Mr. Cahan's attitude is not the sort which Mr. Meighen assumed in the Imperial conference of 1921 when the renewal of the Anglo-Japanese alliance came before the conference.

Members will recall that Mr. Meighen took the position that our policy must be very closely related to that of the United States.

The next we heard of the far eastern questions was on January 30, 1933, when in a rather ambiguous statement the Prime Minister said:

> The Secretary of State had his instructions, and he made it abundantly clear—I saw him in London—that his speech as a whole did not in any sense depart from them, although isolated sections of it might leave the impression that he was endeavouring to support one particular phase of the situation rather than another. I think the speech as a whole shows no departure from the general principles which I indicated to the house as being the views of the government in matters of this kind.

And he concluded:

> As he will be back here very shortly he will be able to explain the situation fully.

The next development in that matter was a pronouncement of Canada's position by Doctor Riddell, and if I have had to criticize the ambiguity of the Prime Minister's statement and criticize the statement of the Secretary of State I must confess that the statement given on behalf of this government by Doctor Riddell was an excellent one. Next we learned that Canada had become a member of the advisory council—which, I should judge, would be a rather important position—in connection with the Sino-Japanese situation. Since that time, with one exception to which I shall refer, we have had no information whatsoever with regard to the situation in the far east, and to this day we do not know what the policy of the government is.

Some of us had been hoping that throughout the session we would have a chance to ask questions of the government, but no opportunity was granted until the estimates for the Department of External Affairs came up for consideration. The estimates were passed without any discussion whatever, one item being held over. Later, in the final rush, the item came before the committee at a time when very few hon. members knew that this important subject would be under consideration. On that occasion the Secretary of State made a statement which, at that late stage of proceedings, no one had a chance to discuss.

I place this matter before the house not in order to promote a discussion of the Japanese question at this time, but rather to indicate the lack of information regarding government policy and the lack of opportunity given to hon. members to discuss matters of vital public importance.

I said a little while ago that we are a member of the League of Nations. We are also a member of the International Labour Organization. Each year delegations go to attend the conferences of these bodies. We have not had the advantage of having a report from our delegates. I am not blaming the present government for this; I do not want to be misunderstood. Attention is being called to this situation in the hope that possibly it may lead to the development of a procedure which will be more satisfactory than the one which has come down to us from the past. It is true that last year Sir George Perley on his return from the disarmament conference did make a statement to the house, but it has not been the practice for us to have any statement from delegates returning from the League of Nations. I believe all hon. members would be pleased to hear a report from the Minister of Railways, who has made some very excellent speeches outside the house. We should have the advantage of such speeches in the house.

One cannot attend the sessions of the House of Commons at Westminster without feeling that we enter there a very different atmosphere. England, although not actually a part of the European continent, is just on the edge and it is natural that European affairs should enter into discussions of ordinary matters of policy. We recognize that the parliament of the United Kingdom must discuss affairs relative to the whole British Empire and in Great Britain an opportunity is given for such discussion. A number of voluntary committees representing all sections of the house are continuously at work considering matters pertaining to foreign affairs.

I think it is taken for granted that an informed public opinion on these matters is highly desirable at the present time, but how can we hope that the public will become greatly interested in them if they receive no discussion in this parliament, if they are considered to be so far removed that members of parliament will not take the trouble to make inquiries concerning them or to discuss them as they would matters nearer home? It would seem to me that if the proposal of the hon. member for Vegreville (Mr. Luchkovich) were carried out, it would go a long way towards stimulating public opinion in this regard.

Hon. members will recall that a few years ago a committee on industrial and interna-

tional relations was set up. A number of industrial matters were referred to that committee, such as minimum wages, unemployment insurance and so on. Unfortunately the law officers of the crown stated that a great many of these matters came under provincial jurisdiction and nothing very definite in the way of legislation came out of the inquiries. So far as I can recall, only one matter relative to international affairs was referred to the committee. This was the motion of the hon. member for Southeast Grey (Miss Macphail) that scholarships should be established for the study of international affairs. Again there was no very definite result from the inquiries of the committee because it was considered that this might be an educational matter and that provincial jurisdiction might be involved.

But there are other important matters which clearly come under federal jurisdiction. What are we going to do about the league? Are we going to continue our membership and, if so, what policy is Canada to advocate? I think we ought to know. Negotiations have been going on between Sir John Simon and Italy, and as far as an outsider can determine, these negotiations might very easily weaken the influence of the league. I am glad to see the Prime Minister (Mr. Bennett) in the house this evening, and I think we have the right to know from him the attitude of the government in respect to this matter. It seems to me that Canada being a member of the league, we members of parliament have a right to information on such matters. If the government has formed some policy, the country should be informed as to what it is. The same thing is true in connection with the disarmament question. We have been a member of that conference which has dragged on year after year and which now seems destined to absolute failure. The conference has not been formally disbanded but in the meantime the making of munitions of war is being carried on at a tremendous rate. Are we making any representations to the league in this regard?

I am well aware that numerically Canada is a small nation, but the Prime Minister likes to tell us that we are the fifth exporting nation in the world. If that is so, we ought to be sufficiently important in world affairs to have something to say with regard to this matter. In one visit abroad to the league I was told again and again that Canada occupied a strategic position in world affairs through being a part of the British commonwealth of nations and being located on the North American continent side by side with the United States. It was stated that Canada might be reasonably looked to to interpret the attitude and viewpoint of the United States toward other parts of the empire and to the League of Nations. I wonder if that is true?

Since Canada is located on the Pacific as well as on the Atlantic, we have vital interest in what is going on in the far east. One can hardly read the despatches recently appearing in the press without being apprehensive of the ultimate breaking out of trouble between the United States and Japan. Every careful student of international affairs must recognize dangerous possibilities in the present situation. If friction should break out and war should ensue, can any one believe that Canada would be able to keep out of the conflict?

An hon. MEMBER: Why not?

Mr. WOODSWORTH: Some hon. member asks "why not?" There is a definite possibility of aerial warfare. The United States owns Alaska and there is a considerable gap between the Alaskan panhandle and Seattle. Undoubtedly, planes going backward and forward would pass over our territory and I do not think it would be very long before our position would become extremely delicate. It is all very well for hon. members resident in the east to believe that any future trouble will be largely in Europe, but they should not forget that Canada has a western outlook. The problems of the orient are of vital importance to us and we ought to know what our policies are with regard to them. We ought to know whether we are likely to follow the policy of Great Britain or the policy of the United States, which latter we did at the time Mr. Meighen threw his influence against the renewal of the Anglo-Japanese alliance. We ought to know the policy of the government on such matters.

It may be said that questions of this kind should be left to the Department of External Affairs; I do not think they should. They have not been so left in Great Britain. I recognize that a great deal of the information which comes to us from Great Britain as well as some of the information from our embassies in Japan, Paris and Washington, must be considered as confidential, but some of it ought to be available to hon. members of this house. We should not be left in the dark as to the main lines of the government's foreign policy.

We all know the procedure of our select committees. In such committees an informal atmosphere prevails. The members do not sit in opposing ranks as we do here in the house. In the committee we sit around the room and the discussion is very informal in

character. Further than that we can call witnesses. I would think that at least in the beginning, if this suggestion is adopted, we might have the Under Secretary of State for External Affairs come before the committee and tell us what he is free to tell. I am quite sure that he would be glad to give a great deal of valuable information, as he did at the time the resolution of the hon. member for Southeast Grey was under consideration. Further, it would seem to me a very reasonable proceeding that the delegates to the League of Nations and the International Labour Organizations should be present before that committee and make a report. After that, as we all know, these reports would be given publicity by the press, and these proceedings would form the basis for discussions throughout the entire country.

I am not suggesting that we in Canada will at one bound attain a fullfledged foreign policy. Our policy will approximate, I should judge, to that of the motherland, but we ought to know what the policy of the motherland is, and adopt a definite attitude toward that policy. Every intelligent citizen of Canada ought to be kept informed.

I am glad to support a resolution of this kind, not only because it gives us the opportunity of a discussion of such questions early in the session before the final rush sets in, but also in the hope that the government will give serious consideration to what seems not an unreasonable suggestion, and one that might be of great practical value to this country.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have just returned from a meeting where I was endeavouring to impress upon those present the importance of some of the matters to which the hon. gentleman who has just resumed his seat (Mr. Woodsworth) has spoken. I was endeavouring to point out that in this country we have a citizenship that begins with the municipality, and from there extends to the province. In the province we have our citizenship as Canadians, and then our citizenship as members of the British Empire. From that we have a world citizenship arising out of our relations with the League of Nations and our commitments under the Treaty of Versailles.

I did venture to point out the difficulties of any Canadian having a clear appreciation of the complexities, indeed almost insuperable, that have to be overcome in order that we may have a clear perspective of our world citizenship. I cannot but think that while it is highly desirable that we should not for a moment lessen our activities and our desire to promote peace and the reign of law and the rule of reason, we must not by the observations we make here or elsewhere endeavour to induce the people to believe that we are a nation with the power and the authority to assert our views in the degree expressed by the hon. gentleman who has just resumed his seat.

We occupy a position midway between the occident and the orient, and our influence is of course great because of that fact. We are deeply interested in the eastern civilization because of trade and because of the fact that upon the Pacific there are thousands of miles of our coast line. We are interested, of course, in the European civilization and vitally interested in the policies that are pursued by Great Britain.

But I need hardly point out to this house what every member realizes, that the foreign policy of the British Empire is perhaps the most difficult thing to contemplate that man can think of. Why? Because you have autonomous communities in South Africa, in New Zealand, in Australia, in Canada, and we have claimed and have been accorded rights equal so far as general principles are concerned to those possessed by the citizens of Great Britain. But we have neither the might of a navy nor the force of an army, and when we in the international field endeavour to express our views we are measured, unfortunately still in this day, by our ability to carry forward any undertaking to which we commit ourselves.

Those members of this house who have followed with care, and some have—some have not because of the very nature of the complex problems involved, and with the duties cast upon them from other angles they have not had the time to give to it—those who have given thought to the matter will realize that this country has steadily endeavoured to promote peace and disarmament. On all occasions where the opportunity has offered the Canadian people have at once supported every measure, international or otherwise, that would insist upon developing an atmosphere of peace—the Kellogg-Briand pact, questions relating to the arbitration of justiciable disputes, the maintenance of our representation at the League of Nations with respect to the International Labour Office, attendance upon the meetings of the League of Nations—all these things that could be done by this young dominion to promote the cause of peace have been done.

With respect to disarmament, what is the position of this dominion? Will the hon. gentleman who has taken his seat suggest for a single moment that the views of Canada

with respect to disarmament have in the very nature of things been seriously considered abroad? What have we to disarm? Will any hon. member say? All we can do is to throw the weight of our influence and the weight of our assistance and votes towards every cause that looks towards bringing about disarmament. In the short time that I have been responsible for any foreign affairs, I have always expressed it in these words, as I did on the occasion of the visit to this country of Mr. Ramsay MacDonald, that so long as nations have armaments, just so long will you continue to have the invitation to use them. Whether you like it or not, tanks, aircraft, torpedoes, submarines, all these forms of armament, if they are constructed, tend to develop the view that they should be used. There are those commentators upon the late war who believed that it was entirely attributable to the fact that a moment was reached when with all the developments that had taken place in the construction of arms, and with the equipment of troops, they could no longer be held in leash, and conflict was inevitable.

To the extent of our ability this country has thrown itself with all its force on the side of peace and disarmament. Whether it be the government that was lately in office or this administration, it matters not; for ever since we have had a voice that voice has been raised for peace and for disarmament.

But now the question is raised in this chamber as to the lack of facilities for discussion. When the estimates are before this house discussion can be prolonged for days to obtain by question and answer any information that might be desired. So far as the production of papers is concerned, any hon. member who desires to do so can read the journal of the League of Nations. It must be within the memory of the house that within the last few weeks an appeal has been made to the Canadian people over the signatures of the leader of the opposition (Mr. Mackenzie King), the hon. gentleman who has just taken his seat (Mr. Woodsworth) and myself, asking for more study on the part of the people of the problems that are involved. We believe as a result some good has already been accomplished; local organizations, branches of the League of Nations, have been created in small communities for the purpose of systematic study, through the publications of the league and through the journal, its newspapers, of just what are the problems that have to be considered.

But I should like now to turn from that phase of the question to the terms of the resolution. I cannot accept it. No member of any administration charged with responsibility, which has a majority in the House of Commons, would accept that resolution. If I might say so, it is a very cleverly devised part of the campaign and program of my hon. friends who sit opposite and to the right. This afternoon it was the nationalization of insurance; to-morrow it may be the nationalization of the banks; to-night it is one step forward—not a responsible government any longer, but government by a committee of the house instructing the administration with respect to foreign policy. This is subtle, clever, indicating that new methods are to be adopted rather than the old, frontal attack methods that have heretofore prevailed. But the glove still covers the mailed fist.

Let us look at what representative institutions are. Is there an hon. member belonging, at any rate, to the Liberal party who does not realize that this resolution asks that the whole subject of the foreign policy of Canada be referred to the committee on industrial and international relations for study and report? That is not the way in which Canada has been governed and it is not the way in which it will be as long as we have representative institutions and responsible government. When the government departs from that policy which the house believes should be followed, a vote of censure secures its defeat. Thus England is governed; thus under a socialist administration England was governed. No committee hearing witnesses and discussions makes a report to the house as to what the government should or should not do; the government acts and upon its actions it stands or falls. The responsibility for its conduct lies with the administration and by its conduct it must stand or fall. A committee may be set up, indeed it may consider many phases of matters, but how could a government function if a committee instructed to study and report as to questions of foreign policy made a recommendation that a certain line of action should be followed without being cognizant of the facts that control and influence the action that must be taken?

Only last week I asked the Under Secretary to have prepared a white paper for circulation amongst the members of this house, containing a full and complete report of what had taken place at the disarmament conference in the way of suggestions, together with the final report, also together with the present recommendations made by the British government as to the settlement of the problems involved, and in addition, a copy of the speech of Sir

John Simon, Foreign Secretary, in connection with the matter. I did that in order that the house might be informed before the estimates came up for consideration. But am I to be told that the government of this country, which after all has no army and no navy and is not concerned about the problem of disarmament as regards having anything to disarm, but is vitally interested in everything that affects the welfare of the world at large and that larger world citizenship which we have accepted—concerned as we are about that, am I to be told that the government is to be directed by a committee on foreign relations? If you will consider the number composing the committee, you will see that it is rather a large one. Are they to meet regularly in a room in this building, to have brought before them papers and documents and to inform the government of the principles that must govern in connection with foreign policy? Foreign policy is something that changes from hour to hour, from day to day. Of course only the broad outlines of a great policy can affect the Dominion of Canada. Those broad outlines of Canadian policy are to maintain peace, to assist disarmament, to bring it about so far as our power is concerned, and, further, to lend our influence and the strength of our position by reason of our geographical situation and our numbers to offer measures that may be promoted within the British Commonwealth of Nations to secure those two ends which are fundamentally the principles upon which democracy lives, namely, the maintenance of peace and the elimination by the nations of the world of arms and equipment for war purposes.

Then there is the question of arbitration, the determination of justiciable disputes by arbitration and awards; all these matters are to be promoted. I remember when Earl Granville went to the Foreign Office, he was told by the Under Secretary: "There is not a cloud upon the sky; there never was a moment when the sky was clearer," but in four weeks the nations of Europe were locked in war. I wonder whether one realizes how difficult it is to maintain any principle of continuity with respect to our foreign relations and, on the other hand, to maintain that principle mentioned in the resolutions of 1926 and the statute of 1930, that is cooperation and association with the other nations of the British Empire for the purpose of promoting the well-being of the whole?

We certainly cannot accept this resolution; we cannot accept the responsibility that is involved in the passing of a motion such as this, but the fullest opportunity is always afforded when the estimates are before the house to make all inquiries within reason, and if the question is not against the public interest, it will be answered. With this proviso the fullest opportunity will be afforded to every hon. member to ask questions in connection with any matter that affects this country in respect to its relations to the rest of the world.

So far as ministers are concerned, we have only three offices abroad, one in Paris, one in Tokyo and one in Washington. On this continent we are concerned more with matters that arise from administration and trade than with matters of diplomacy as they are understood in the older countries. In Paris the position is much the same; for I do not disguise from any hon. member that our influence among the nations of Europe qua nation is measured by our guns and ships, but qua our power in conference, measured by the fact that we represent 10,500,000 people and that those people are on the northern half of the North American continent. In Tokyo we are constantly in communication with our office there. As regards difficulties of great delicacy between the great empires of Japan, China and Russia, we are kept informed every day of the problems that confront the statesmen of the old world, but who within sound of my voice suggests that the foreign policy of the Dominion of Canada with respect to Japan can affect the world position?

Now, there is such a thing as sweet reasonableness. There is such a thing as having a proper perspective. There is such a thing as being able to see a position without exaggeration, to understand that great as your country is, important as it is, great as is its influence, it is not exactly what you would call a policy-compelling influence; because we have neither of the factors that go to make it such, in a world that resorts to war for the arbitrament of difficulties. But we will endeavour, as I repeat, and I cannot repeat it too frequently, to use in every possible way the influence that comes to us by reason of our position and the strength of our position within the British Empire to uphold every effort that is made to promote peace, to advance the principle of peaceful settlement of difficulties in the world's court, and above all to secure, if it be within the wit and power of man, that disarmament which will cease to make the possession of arms an invitation to breach of the peace.

Therefore I hope that upon reconsideration the hon. member who moved this motion will realize that it is the negation of responsible government, the destruction of the very structure that has been built up through the efforts—the opposition would say their efforts, but through the efforts of Canadians of all parties, that government shall be responsible

to the House of Commons; and that when its policies, its conduct of foreign or domestic affairs, bring a vote of censure or condenmnation by this chamber, it ceases to function. For that reason we cannot accept this resolution or adopt the principle which underlies it. As I say, when the estimates are before the house the most ample opportunity will be afforded to every member to discuss until he is weary of the discussion every phase of our foreign policy, and I shall endeavour to the extent of my ability to answer any questions that are suggested.

Mr. MICHAEL LUCHKOVICH (Vegreville): It was with no intention of pressing this resolution to a vote that I proposed it this evening. The Prime Minister a moment ago said we would have ample opportunity to discuss this matter when the estimates for external affairs are brought down in the house. For the past eight years I have noticed that the estimates for external affairs usually are brought down three or four days before prorogation, therefore little or no opportunity is afforded any member to discuss a matter of such great weight as the foreign policy of Canada. Now I have always been considered by my friends, and I believe by most hon. members in this house, as a pretty good sort of fellow. No one ever convicted me of being subtle until the Prime Minister of Canada registered that conviction to-night. I wish I did have the subtlety to get out of the position the Prime Minister has placed me in, but, being only a good fellow and having no subtlety, I am going to say no more on this subject. My only purpose in raising the question was to learn something about the foreign policy of Canada, and I thought this was one method of approaching that all-important matter.

We have had many delegates to various conferences concerning Europe and the far east, but none of them has ever reported to the House of Commons. The suggestion has been made that if we want to know something about the foreign policy of Canada we should read the periodicals and the proceedings of the League of Nations and other publications. Well, Mr. Speaker, as far as I am concerned I cannot find time to read all those periodicals; and if we were to try to arrive at some knowledge of the foreign policy of Canada by reading these numerous and very voluminous publications, hon. members will agree with me that the attempt to arrive at such knowledge would drive every one of us crazy. Therefore I thought that if we could get a short resumé from the delegates who have attended these various conferences, we would all be wiser as to the situation in which Canada now finds herself in relation to other countries. All I wanted was to have the government unscramble the very much scrambled situation in which Canadian foreign policy now finds itself. We have had it unscrambled to a certain extent this evening, but the process could be carried much further if the matter were considered in a committee and discussed at some length by the various delegates whom we send to these several conferences.

I do not intend to press the resolution, Mr. Speaker.

Mr. SPEAKER: With the consent of the house the resolution will be withdrawn.

Motion withdrawn.

PENITENTIARIES

SPECIAL COMMITTEE TO STUDY CAUSES OF CRIME AND TREATMENT OF CRIMINALS

On the motion being called:

Miss MACPHAIL:

That, in the opinion of this house, a special committee should be set up to investigate the causes of crime and to determine whether the penitentiaries of Canada are doing all that could be done towards protecting society by the reforming of the criminal.

Mr. SPEAKER: Is it the intention of the hon. member to proceed with the resolution?

Some hon. MEMBERS: Stand.

Mr. SPEAKER: If the resolution is called again and stands it will be dropped from the order paper.

Mr. GUTHRIE: Mr. Speaker, a special arrangement has been made at the request of the mover of this resolution, who on account of ill health is not prepared to proceed with it. Your Honour noted the arrangement at the time, I think.

Mr. SPEAKER: My understanding was that in order to keep the resolution alive the debate would be commenced and adjourned; then the motion would hold a place on the order paper. If with the unanimous consent of the house the resolution is allowed to stand and not leave the order paper, there is no objection on the part of the Speaker. With that understanding the resolution stands.

Motion stands.

FEDERAL HEALTH POLICY

COOPERATION WITH PROVINCIAL GOVERNMENTS—PROPOSED REFERENCE TO INDUSTRIAL AND INTERNATIONAL RELATIONS COMMITTEE.

Mr. HENRY E. SPENCER (Battle River) moved:

That, in the opinion of this house, the federal government should adopt a definite health policy which could be carried out in cooperation with the provincial governments, and with this end in view, the subject should be referred to the committee on industrial and international relations for consideration and report.

He said: Mr. Speaker, I trust that the wording of this resolution is such that the Prime Minster (Mr. Bennett) will not think for a moment that it is put forward with the one idea of undermining the confidence of the country in the government. I put it forward with the strong hope that I shall get a great deal of help not only from this corner of the house but also from the official opposition and from government supporters themselves. I hope it is worth considering carefully and that ultimately it will be accepted.

I think every hon. member in this house recognizes the great importance of public health. The house must also recognize that in these days of stress we are bound to have a great deal more sickness than in good times, because people are much poorer and have not the means with which to call in the necessary medical assistance, and many of them put off calling for aid until it is too late. In 1930 I had the opportunity of introducing a resolution along somewhat similar lines, dealing with full-time health units. The resolution read as follows:

That, in the opinion of this house, the government should take into consideration advisability of making grants to the provinces equal to one-third the cost of establishing, and to cover permanently such full-time health units as may be organized.

That resolution was accepted by the government of the day, but within twelve months the government changed and nothing was done. I introduced another resolution along these lines in 1931, after the new government came into power, and they were good enough to accept the resolution then proposed, but owing to the fact that the financial crisis was upon us nothing was done. Therefore I come forward to-day with another request in the hope that some definite policy may be formed in regard to public health in cooperation between the federal government and the provincial governments.

Under the British North America Act I understand nothing is definitely said with regard to the care of health, and though it is necessary for the federal Department of Health to carry on certain work, most of the work is thrown on the shoulders of the provinces. So far as I know every province has some sort of policy and some sort of department looking after health, but much more can be and should be done in cooperation by the federal and provincial governments. I have five notations under my hand outlining subjects which I think are distinctly a federal responsibility, since each one has a national aspect. I appreciate the fact that the Minister of Pensions and National Health (Mr. Maclaren) has come closer so that he can hear what I am about to say. The five points which have a national aspect are first, tuberculosis; second, cancer; third, the prevention and control of insanity; fourth, venereal disease and fifth, child and maternal welfare.

Surely no province can be expected to deal with these matters, which should be handled by the federal government in cooperation with the provinces. We all recognize that the care of health is a serious matter not only for the individual but for the state as well. We have only to go back to the time of the war to realize the enormous cost of ill health to the nation. The other day I looked up some figures with regard to the number of men who volunteered following the outbreak of war, and I found that of a total of 465,984 some 45,000 were medically unfit. Of the remainder some 100,000 were sent overseas but, under the stress of training, were found to be physically unfit for service. All this cost the country a huge amount of money. I recall that the late Sir Arthur Currie, speaking in Montreal, laid emphasis upon the desirability of greater care being taken with regard to the health of our people. Later in the war, when conscription was brought in, I found that of 264,355 persons called only 83,355 were accepted; in other words 68 per cent were rejected, so that one can readily see the enormous expense to the country which resulted. If we had some definite policy of cooperation between the federal and provincial governments by means of which the health of our people could be kept at a much higher level than is the case to-day, such things would be impossible.

The other day some figures were presented to me by the Canadian Council on Child Welfare. We must remember that up to a year or so ago a large amount of money was being spent every year to bring people into this country, but when all is said and done the children most worth rearing are the children

born in this country. Therefore I should like to present some figures in that regard. I find that of 235,666 children born in Canada in 1932 no less than 7,284 were still-born; 17,263 died before their first birthday; 21,874 died before their fifth birthday and 1,181 mothers died in childbirth. It is said that most of these deaths were preventable. One cannot look at these figures without realizing the great loss which might be obviated.

It is recognized that when sickness descends upon a household it affects the people in two ways. There is the expense of the medical, hospital and nursing attention, and there is also the fact that as soon as the bread winner is taken ill his wages usually stop. It is estimated by some health organizations in this country that in medical expenses and time lost Canada loses some $300,000,000 yearly, yet the total amount of money being spent in this country by government agencies in regard to the health of our people is only about $6,000,000.

Now I should like to point out that there are three diseases from which death may be prevented with proper care. There are diphtheria, typhoid fever and tuberculosis. Yet every year we lose about 11,000 people as a result of each of the first two diseases and about 8,000 as a result of tuberculosis. We find on consulting statistics that some people pay fully for medical attention, some pay in part and many cannot pay at all. The figures I have before me show that 49 per cent of the people who are sick pay in full, 20 per cent pay in part and 31 per cent pay nothing. There may be an odd one or two in the 31 per cent who intentionally do not pay anything, but I do not believe the average man or woman would attempt to avoid paying their bills for sickness if they could possibly meet them. As good health is something which we should strive to have among our people and as sickness does not stop at one's door, or even at provincial boundaries, it is essential in the interest of communities that we should take care of those who are sick, and we should further see to it that to the greatest possible extent preventive measures against sickness are taken.

We have an army of trained men and women with knowledge of health measures. It is unfortunately true that many of them are not fully engaged because the demand for their services, on account of expenses, is not made. There is the further fact, however, that many of them, although attending patients cannot obtain payment for their services and, for that reason, are working under a great handicap. I have but to draw attention to a situation which arose only a few weeks ago in Winnipeg. A few days ago in this House of Commons we were told that a doctors' strike had occurred in that city. That stand was taken by the doctors, not because they wanted to, but as a measure of self-defence. Apparently a condition has arisen in Winnipeg whereby the doctors cannot be sure of obtaining for their services enough to give them a decent living, and they want to force the responsibility upon some one so that their bills may be paid. With that in mind they have signed the following pledge:

> I undertake to refuse free medical service in the office, hospital or home to any individual in receipt of relief, unless an emergency exists. An emergency is one in which life is in imminent danger and for which immediate action is required. This is to take effect on and after the fifteenth day of February, 1934, unless the civic and/or municipal authorities concerned have made satisfactory arrangements with our committee.

I believe that is probably one of the most serious situations facing any city in Canada, and is a situation with which not only cities but country districts will be confronted if some plan is not forthcoming and some arrangement is not made between governing powers on one hand and the people on the other. Something is being done, but in too small a way.

Mr. ARTHURS: In what regard?

Mr. SPENCER: I will come to that. I know full well that the federal government does not undertake to take care of the full health program, and for that reason provision for only a limited amount of money for health purposes is placed in the estimates. Looking at the estimates for the year 1928 I found that while we were spending only $900,000 for health we made provision for the expenditure of $1,800,000 on penitentiaries. In the estimates presented this session we are spending $2,833,000 on penitentiaries and, so far as I can ascertain we are spending only $830,000 on health.

Dealing with another aspect of the situation, may I remind hon. members that a few years ago in our twenty-three universities 9,525 students were enrolled, while at the same time in our fifty-two mental asylums we housed no less than 25,259 inmates. This, in itself is a serious situation and one which should be given very serious consideration. We recognize to-day that generally speaking city people are healthier than people in the country. That is exactly the reverse of the situation that obtained a few years ago, and it has been brought about because in the cities there

has been a certain amount of definite health organization. For that reason the health of the city people has been kept in a better state. Country people, who are without that care, are suffering a higher death rate and a higher rate of sickness. Quite properly the federal government takes care to keep out of the country all people suffering from any serious illness. Surely, if they recognize their responsibility to keep sickness out of the country they must recognize a responsibility to keep in good health those people inside our borders.

Undoubtedly excellent work has been done in connection with full-time health units. Particularly is that so in the provinces of Quebec, British Columbia and Alberta. In order that the house may have some idea of the work done in these units I should like to give the figures showing the death rate in three units of the province of Quebec, and indicating how, owing to the organization for the care of health, deaths have been cut down:

	Deaths per thousand 1926	Deaths per thousand 1928
Unit No. 1..	46	19
Unit No. 2..	68	46
Unit No. 3..	26	14

These figures give one great hope as to what can be done and, of course, they indicate only a beginning. Furthermore, with the full-time health units taking advantage of endowments from the Rockfeller Foundation, which are given only for three years, it is essential, if they cannot afford to carry on without that help, that the federal government step in and give them aid. I am pleased to quote a statement of the present Prime Minister made in 1931, when I introduced my resolution favouring full-time health units in Canada and made the request for help from the federal government. On that occasion he said:

> Touching the necessity for the establishment of health units nothing need be said. I think the case is complete and almost before it is stated.

I have always recognized that for many years the present Prime Minister has taken a great interest in the care of health. Therefore I hope that he will give this resolution his very very sympathetic support.

Mr. BENNETT: Would the hon. member permit a question? Does he not realize that under present financial conditions nothing can come of referring a resolution of this sort to a committee?

Mr. SPENCER: I appreciate that at the moment, with financial conditions as they are, nothing can be done, but we hope that trade is on the upward trend and that success is somewhere around the corner. If that is so—and we most sincerely hope it is—we might fairly give consideration to this matter now, even if we cannot do anything for twelve or eighteen months.

I should like to quote from the comments of a well known public woman who, speaking at a health meeting, said:

> Curious, is it not, that we cull our flocks and herds, allowing only the finest and most physically perfect to breed and yet when it comes to the human race, we allow the mating of the most diseased and imperfect, both mentally and physically.

She goes on to say:

> How long will sentiment outweigh good sense in dealing with this problem of the propagation of the race?

Some one asked me a moment ago what progress had been made in certain parts of Canada. A start has been made in Saskatchewan with municipal doctors, while Alberta has started with municipal hospitals. We have government clinics here and there which are giving some help, while examinations at schools are found to be very valuable. However, with all of this, we are merely scratching the surface. There should be some plan of cooperation between the federal and provincial governments in connection with preventive medicine. When all is said and done, too much work is done in simply making people well. If we exercised preventive medicine we would save the people a lot of sickness and bring about a higher standard of health. We would be a healthier, happier and richer nation.

Compulsory health insurance was started in Germany as far back as 1883, in Bismarck's time. Canada is supposed to be fairly well up to the front in social development, but in this respect we are far behind Germany which started this thing fifty-one years ago. Austria, Norway and other countries followed. Great Britain has a volunteer scheme, as have Italy, Sweden, Denmark, Belgium, France, Spain, Switzerland, Australia, New Zealand and South Africa. All of these countries are ahead of Canada as far as the care of health is concerned.

A medical service should provide scientific diagnosis and treatment if needed; it should provide adequate pay for doctors and nurses; it should encourage health education, and it should correlate the work of all health agencies. If this were done the doctor would

be assured an adequate income. His standard of living would be raised and he would have access to the proper equipment. It would provide regular examination for the patient, which he does not have at the present time. It would provide hospitalization, nursing and medical care irrespective of financial position. We must recognize that we cannot have anyone suffering sickness just because he has not the wherewithal. I admit that considerable free work is done, but there are many people who will not call in medical aid until the last moment, until very often it is too late, when they feel they cannot afford to pay. A provincial scheme is being put forward during the present session of the Alberta legislature to cover the whole province, and I have hopes that it will be accepted. However, no province, particularly a western one, can carry a scheme like this by itself.

In conclusion, I desire to make four suggestions. The first is that public health should be put on a business basis. The second is that the federal and provincial governments should increase expenditures for health as quickly as possible. The third is that the medical profession should be asked to cooperate, and I am sure that a great number of doctors, particularly those in the rural districts, will be only too willing to do so. The fourth is that the education of the public in health matters should be pressed. With these suggestions, I express the hope that the house will accept this resolution.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, I have listened attentively to the hon. member who has just sat down (Mr. Spencer), and I should like to make a few observations with reference to what he has said.

Taking a broad view of public health, both in the care of the sick and in the matter of sanitation, it is true that a large part rests with the provincial governments, but at the same time this is an incomplete statement of the case. I should like to indicate to the house just where the federal government and its Department of National Health enters in an important way into the measures that lead to the improved health of the people of this country. I would direct the attention of the house to an organization known as the Dominion Council of Health. This organization meets in Ottawa twice yearly under arrangements made by the federal government. It is composed of fifteen members which include a health officer from each province, representatives of agriculture and women's organizations, as well as a specialist in public health. I direct the attention of the hon. member who moved this resolution to the existence of this organization. It represents an attempt on the part of the government to nationalize in a manner the care of the sick and to improve sanitation. It brings together representatives from all the provinces and I think provides an example of cooperation. The fundamental principle in the council is cooperation among the provinces and I believe it meets to a considerable extent one of the matters referred to by the hon. member. In addition to cooperation, it strives to bring about standardization of methods and the adoption of uniform systems of reporting vital statistics, and deals with other important matters. I place this before the house as one effort which has been made by the federal health department to bring about cooperation among the provinces and to add to the efficiency of sanitation.

In discussing public health and its importance I think it is well that we should not fail to recognize the great advances that are now taking place in Canada. Whether you approve of the system or not, the fact is that in recent years there has been a marked advance in sanitation and in the care of the sick. It is true that a large part of that is done under the provinces, but the fact remains that the advances are very marked and very striking. Health units, for instance, have been mentioned. This is an organization of not many years standing, and was especially adopted for the benefit of those living in the country, far from the ordinary medical and nursing facilities. It is an organization that can be highly commended. It is there and it is growing.

I have referred to the council of health as being one method of reaching out through the country and advancing the care of the sick. I should like to mention some others. What is the federal department of health doing to-day in reference to drugs, proprietary and patent medicines, and foods? The work that is going on is very important indeed. The department which I have the honour of administering guards against exaggerated and false claims in regard to drugs that are on sale to the public. That comes under the federal department of health, and I trust that my hon. friend will include it among the important federal activities which are carried on. Proprietary and patent medicines and other medicines of that character must fulfil certain requirements. They must state on their labels the constituent or potent drugs which enter into their composition. It ensures that they do not exceed the proper dosage. It also prevents undue claims being made

to the public. It protects the public who are so prone to depend on something that holds out to them great hope—cures for tuberculosis, cures for cancer, and so forth. All that work is being quietly but effectively done under the federal department of health to safeguard the people of Canada.

I venture to think that many hon. members may not be conversant with the fact of the connection between radio and the Department of National Health. It has been arranged, and is being carried out satisfactorily, that all radio broadcasting on the question of health and on cures and drugs must first be submitted to the department of health to be passed upon before it is broadcast. That has been found to be practical and successful. It is the means of preventing exaggerated advertisements being broadcast over the radio.

My hon. friend also referred to five diseases or five branches of disease in regard to which he thought the federal government should cooperate with the provinces to a greater extent than at present. Let me mention them.

Tuberculosis. Well, the government has for many years assisted in supporting the national organization for the prevention of tuberculosis —not spending an enormous sum, it is true, but still it has supported and is represented on that organization. Every endeavour has been made by the department to increase the influence of the organization in dealing with tuberculosis.

Then there is cancer. The federal government is not taking any special action in regard to cancer, but we know that during the last few years in almost every province extensive expenditures have been made for the purchase of radium. We are aware that the province of Ontario especially has developed cancer clinics, equipped with radium, where the work is going on in a very important way. It seems to me that the important thing is to have the matter dealt with properly and efficiently, even if it is not done under the federal department, and that work is being done efficiently.

As regards venereal disease, one must not forget that the federal government, because of its desire to help on that movement, made substantial grants for a number of years for dealing with venereal disease. A grant of over $100,000 a year was made for a number of years to assist that movement and put it on its feet.

Mr. SPENCER: Is the government still making the grants?

Mr. MacLAREN: No. The understanding at the outset was that the federal government would make a contribution, and it was a very substantial one, for a number of years, with the object of putting the matter in operation and supporting the organization.

In reference to child welfare, the department of health keeps in close touch with the child welfare association. One of its aims is to further the care of maternity cases, of mothers, infants and children, and this cooperation has advanced in the last year so that there is now a special connection between the Department of National Health and the child welfare organization. That is something which I believe will lead to increased efficiency, and hon. gentlemen will have the opportunity of hearing more about it when the estimates are under consideration.

Quarantine and immigration come under the jurisdiction of the federal department of health, in order that the government may protect the health of Canadians by preventing the admission of serious infectious diseases. The officers of that department, so far as immigration is concerned, are responsible for seeing to it that only those who are healthy and free from disease are admitted to this country. I trust I have given some examples of the really important work carried on by the department and affecting the whole of Canada.

I am afraid that the government will not be able to support the resolution, which is similar to the previous one asking that the matter be referred to a committee for report. The government is responsible for the efficient and satisfactory administration of the department of health. I do not know the views of the mover of the resolution, but it seems to me to be desirable in a matter of this kind that the motion should not be pressed to a vote. I trust he will view the matter in that way. In any case, however, the government will not be able to accept the motion.

Mr. SPENCER: Before the minister takes his seat, if he cannot give me some more hope than he has so far as regards the principle of the resolution, I would rather press it to a vote. The minister has certainly thrown cold water upon the whole question of cooperation in the matter of health. If he will give me any hope at all, I shall not press the matter to a vote, but I certainly cannot sit still under the last statement of the minister.

Mr. MacLAREN: I do not understand my hon. friend's suggestion that I am throwing cold water upon the question of cooperation

between the provinces and the dominion, as almost everything I have said has been supporting it. I have given him many examples of the dominion government and in particular the department of health doing all it can to promote cooperation among the provinces. There is, so far as we can carry it out, a close connection between the provinces and the federal deaprtment of health. For example, there may come to the federal department information of an important character concerning, perhaps, some infectious disease, and that information is conveyed to the health officers of the different provinces. There is cooperation in that respect. There is an attitude of mutual helpfulness between the provinces and the federal department; there is a good understanding, and I wish to convey to the hon. member that I am not throwing cold water, as he says, on the question of cooperation. I am indicating that there is a cordial recognition of the importance of the whole question, and an attitude of increasing, so far as possible, active cooperation between the various provinces and the dominion.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, I should like to say a few words in regard to the resolution now before the house, because I am deeply interested in any policy which would give better health to the general public. The resolution before us, in my opinion, would involve a strengthening of the duplication of services which now exists as between the federal and provincial governments, and for that reason I am opposed to it. In the province of Manitoba from which I come we have a department of public works, even as we have here; a department of labour even as we have a federal department of labour; a railway commissioner even as we have a minister of railways at Ottawa; a minister of health even as we have the Minister of Health (Mr. MacLaren) who has just spoken; a department and a minister of agriculture just as we have in the federal government here; an attorney general just as we have a solicitor general here; a provincial treasurer as compared with the minister of finance and also a minister of mines just as we have a minister of mines at Ottawa. In my opinion the whole question of the matters to be handled by the federal as opposed to the provincial government should first be redefined in the light of present day circumstances, rather than that we should do anything to increase the duplication of such services. I do not agree with nor am I in favour of an amalgamation of the western provinces to bring this about. I hasten to make this remark due to the fact that the press in Montreal recently said that I had made such a statement. Rather do I think we should commence now to define those matters over which the federal government has sole jurisdiction and responsibility as against those over which the provincial government has sole jurisdiction and responsibility.

Let us consider for a moment the question of public works. Recently as a relief measure we constructed public works partly through the municipalities, partly through the provincial government and partly through the federal administration. If the poor voter, the forgotten man on the street, desired to make any complaint in regard to public works he had nowhere to go. He might try, if he would, to complain to the municipal council; he was passed on from the municipal council to the provincial government, from the provincial government to the federal government, and then, no doubt, the federal government passed him back to the municipal council again. This is on account of the fact that the individual responsibility of these bodies in connection with public works and other matters is not sufficiently defined. This fact is more clearly revealed in the operations of the department of labour whereby we now administer relief. Again the poor forgotten man has nowhere to go; he does not know where the responsibility rests. Here also we require a redefinition of where that responsibility may lie, because if you do not say definitely where it lies, you put a premium upon lying and much of it is done.

Mr. IRVINE: May I ask what is going to become of this forgotten man while my hon. friend is finding out where the responsibility lies?

Mr. WILLIS: Perhaps in view of the fact that the hon. member is creating a new party he will need some of these forgotten men in it.

Mr. IRVINE: If we have them all we will have the biggest party.

Mr. WILLIS: Then we come to the question of railways. I am completely at a loss to know what the railway commissioner of the province of Manitoba does. We have such a commissioner and no doubt he has some work to do. We also have a minister of railways in Ottawa and a department of railways in Ottawa, and why we should have the two services I am at a loss to know.

A duplication which perhaps will come still more closely to the attention of hon. members is that in connection with agriculture. We have experimental farms and experimental stations and experimental plots, some carried

on by the provincial governments, some carried on by the federal government; and also so far as I am able to see from close observation of those within my own constituency there is complete lack of cooperation between the two administrations. It seems to me that the experimental farms of this country either should be run by the federal government, in order to coordinate these services, or else should be run solely by the provincial governments with a view to provincial requirements. At the present time we have scattered over the country experimental farms, experimental stations and other experiments which are costing the people a great deal of money and which if coordinated would be of some use to the public.

Again we have the attorneys general of the provinces and we have the Solicitor General and the Minister of Justice at Ottawa. The fact that companies can be organized within provincial jurisdictions gives opportunity for those who desire to set up companies to sell nothing to someone for something. By this lack of cooperation, this lack of definition, avenues are opened to the man who desires to sell what he should not be permitted to sell, and to those who are trying to undermine the better kind of business in this country.

Then, as to the departments of mines, we have a minister of mines at Ottawa. I am not very well versed in what the provincial minister of mines does in the province from which I come; no doubt in most provinces they place provincial restrictions on a national mining policy, rather than seek to cooperate with the federal department.

The main point which I desire to make is that the present resolution is an attempt to increase the duplication of services to pay for which the taxpayers of this country are carrying a heavy burden. Whether we need at this time a health policy or not, I say the first step for the hon. member to take is to redefine the jurisdiction of governments in this country as between the dominion and the provinces. Having done so he can then pursue his measure, placing responsibility where it belongs. Therefore I point out again the very vicious policy that prevails in this country in respect of duplication of services as between federal and provincial governments, and say that I am against the motion, not that I do not desire better health conditions in this country, but rather that I think the wrong course is being taken to that end. I think first we should redefine those matters which are provincial and those which are federal, in order to relieve the forgotten man, the taxpayer of this country.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I would like to put briefly before the house the point of view of the industrial worker in connection with health services. The statement was made this evening that the health conditions in the farming communities are much below those in industrial communities. No figures were quoted, and I am inclined to disagree with that conclusion. I think the health services in this dominion, particularly from the point of view of the medical men, stand in the same relationship to the nation as the schools did a century ago, a condition of, might I say, anarchy. A century ago the boys and girls of this country got a more or less indifferent education, owing to the lack of organization, the lack of interest on the part of the state in educational facilities for the average boy and girl of working class people of that time. So in the development of our modern civilization, and largely through the efforts of those of progressive viewpoint, the opinion was eventually crystallized into action that every boy and every girl in the country should, in the interests of the state and in the interests of industry and commerce, receive an education. The development of our educational institutions has been one of the driving forces of our civilization. I think it fair to say that to-day the medical profession stands in the same relation to the country and its services as education did many years ago. It is a tragedy that the state should spend the enormous sums it does on the education of our young physicians, and that on the completion of that education they should have to sit down and wait ten or fifteen years before they get anything that approximates a livelihood. Particularly is this true in view of the fact that it is not because of any lack of desire and need on the part of many people for expert medical advice and attention, but because of their lack of ability to meet the financial obligations that would confront them should they seek that advice. I am not unmindful of the enormous contribution that the medical profession has made to the people of this dominion, but frankly I believe that policy is absolutely unsound. We have long since passed the stage when physicians and surgeons should be expected to make that contribution to our hospitals and to the people in general without thought of reward. They are the only section of the professional classes who do so; no one ever heard of the lawyers doing it, or the teachers, or, might I say, even the preachers. Eventually we shall have to deal with the problem in conformity, of course, with the particular conditions existing in this dominion, as they did in Great Britain when

they instituted their national health and insurance system. I believe that is one of the great social questions that will have to be met by this dominion. It is one of the predominant questions confronting our people—the provision of health services organized on a sound basis and administered by the state. You had in Great Britain at the inception of this form of legislation the same condition that you have in this dominion to-day, that is, active organized opposition of the medical fraternity within the country.

Mr. BENNETT: Would the hon. gentleman mind if I pointed out further that the provinces and the dominion each exercise jurisdiction? That is the difference between Great Britain and Canada.

Mr. MITCHELL: I am well aware of that fact, and many times in this house I have expressed the opinion that in the very near future amendments will have to be made to the British North America Act to permit the government of this country to meet the problems of this industrial age in conformity with the very necessary social measures that we think should be in operation here.

If I may digress for a moment, I might point out to the Prime Minister that I had some experience in Europe this summer with regard to developments in different countries. In some countries one sees the development of dictatorships while others, of course, have remained with democracy. I believe the greatest contribution made in Europe in the last generation has been made by the British people in their approach to the question of social insurances. In the last generation they have practically redistributed the wealth of Great Britain; they have had a revolution in regard to the distribution of wealth without the loss of a single life or the shedding of a drop of blood. Frankly I believe that is a far better way to approach these problems than the way in which they have been approached in other countries.

To get back to my point, however, I believe that in this dominion we will have to meet the points raised by the Prime Minister. Unquestionably the question of jurisdiction arises in regard to all these social services, including unemployment insurance and national health insurance, but if, in order to organize properly on a national basis, it is necessary to amend the British North America Act, I think that should be done as soon as possible. But we have a right to know whence the opposition comes with regard to such an amendment to the British North America Act, whether from the federal government or from the provincial governments, in order that we can bring into being the forces of public opinion—those forces that make a democracy and which are the very basis of its life—that are necessary in order to crystallize opinion in the various provinces with regard to such an amendment. I believe this would be in the interests of the medical profession as well, and I speak with some knowledge of their sacrifices. I believe it would be also in the interests of the great mass of the people in this country; the institution of a sound national health insurance scheme would be a great advance over the present condition which exists within the medical profession and would go some distance towards solving the problems of the profession with regard to the treatment of ill health and sickness in this dominion.

[Mr. Mitchell.]

Mr. SPENCER: I appreciate what the Minister of Health (Mr. MacLaren) has had to say with regard to the dominion council of health. I knew this body existed, but however good its intentions may be it cannot do very much in the way of spending money without the sanction of this house. The House of Commons is supreme; that is why we bring up these resolutions. I am offering this resolution to-night in order to secure the opinion of the house, because if the house goes on record as supporting a resolution of this kind it makes it possible for the dominion council of health, in its wisdom, to recommend what might be done to improve conditions.

For the life of me I cannot see why the minister should still object to the resolution going to the committee as proposed. I understood that last year it was agreed among certain members in different quarters of the house who were interested in health matters that the proper committee to consider health questions would be the committee on industrial and international relations. The government of the day have a majority on all the committees, and they are far better places to discuss these questions than in the house. The government have their own chairmen and have majorities on all committees. We could do excellent work if we were allowed to discuss these health matters in committee and bring in a report.

After I said I really did not appreciate his stand in regard to the resolution in the first instance the minister did go a little further.

I understand now that he is in sympathy with the principle of the resolution, and that it has his good wishes.

Mr. MacLAREN: I did not indicate that I was in sympathy with it at all; in fact I said that I was opposed to it. I said I was in sympathy with the idea of cooperation.

Mr. SPENCER: With the principle of the resolution.

Mr. MacLAREN: Not at all. This resolution proposes that a committee deal with the matter of policy. That was one reason why I objected to it; I do not think a committee should form a definite health policy for the government. Let me make it clear that I agree as to cooperation; that is our duty. I also agree that the work should be increased and that the work carried on throughout the country, whether by the provinces or by the federal government, should receive our approval. But I am opposing this resolution which seeks to establish a definite health policy.

Mr. SPENCER: I cannot see why the minister objects, but I am not going to press my point. Surely any government should have a definite policy with regard to these matters; I had hoped that the minister had a definite policy, in cooperation with the provinces. If he has not such a policy I hope he will soon get one; if he has a definite policy then I think it is up to the minister to declare it to this house. The minister mentioned in detail certain definite work done by the federal department. I should say that probably the federal department would not give up some of that work, that there are some angles of public health in which they claim a prior right, such as quarantine, immigration, and all that sort of thing. That indicates the difficult position in which we are placed with regard to this particular subject.

I was interested in the remarks of the hon. member for Souris (Mr. Willis), who criticized the overlapping as between the dominion and the provinces, but I think the hon. gentleman was wrong with regard to the question of health. I believe it might be much easier to put some of these other matters under the definite jurisdiction of either the federal government or the provinces, but the question of health is entirely different. There are certain matters which I am sure the federal government would not allow to get into the hands of the provinces at all. I would have no objection if the federal government wanted to take over the whole question, but they would not do that either. Therefore the provinces are forced to set up their health departments, and that being so it is imperative that cooperation should be pushed for all it is worth as between the federal and provincial government.

That is why, Mr. Speaker, this resolution was introduced; I had hoped to get a definite expression of opinion from the house which would strengthen the hands of the minister in bringing forward some plan which would let us know where we were going. We do know where we are going with regard to education, a matter which was brought up this evening. We have a definite plan in respect to the question of education, but we have only to go through the country to see the extraordinary situation existing in these times of crisis so far as sickness is concerned. We learn that the doctors in Winnipeg have gone on strike because they cannot earn a living. I am sure they do not strike because they do not want to give people necessary medical attention, but simply because the people are poor and cannot afford to pay their fees. Something has to be done. I believe on two or three occasions one of the hon. members from Winnipeg has brought this very important matter to the attention of the house. What are the doctors in Winnipeg going to do? They say they will not accept a case, unless it be one of emergency. When does an emergency occur? Hon. members may be familiar with the old story about the man who said he could feed his horse on nothing. He did very well until he got down to one straw a day, and then the horse died. That is the position we are likely to be in. When we hear the doctors say they will not attend except in a case of emergency. When that emergency arises many of the patients will have reached a point where help will be of no use.

As the hon. member for East Hamilton (Mr. Mitchell) said, we are facing a problem which could be compared with the educational problem of a generation ago. I believe it is about time the public realized that it is much better to pay a small insurance fee, through taxation, so that in the case of sickness a demand for proper services could be made. When people are well they can afford to pay a small amount of money for such a purpose, but when they are sick they may not be able to pay heavy fees for medical attention.

I must say I was quite disappointed that the minister did not bring forward a more definite plan. Of those who volunteered for war services we must remember the large number who were found to be unfit for military service. Undoubtedly those men thought they were fit, but upon examination found it was

discovered that they had something the matter with them. From the national point of view alone it seems to me that this matter of health is one which we cannot afford to overlook. I know there has been an effort to cut down grants for health measures, such as those relating to venereal disease and so on. I believe that by such action we are simply making ourselves poorer. The time has come when we should put first things first; when all is said and done the human being should be our first consideration. We should definitely state whether or not we are going to try to make this nation healthy, and whether we want to put it into category A, B, C or D. Then, having made our plans, we should find some way of financing them. Surely we have not yet tapped all the sources. The hon. member for East Hamilton has said that in Great Britain a tremendous amount has been done with regard to the care of health, certain social legislation has worked wonders in improving the health of the people.

It seems to me that too many people are saying: "Oh, matters relating to money, or the ways of collecting it, are far more important than the care of the health of our people." I believe the time has come when we should change that attitude, decide first of all that we are going to have a happy, contented and healthy people, and then set about to put them in that condition. There may be a good deal in the argument of the hon. member for Souris as to the overlapping of federal and provincial departments. No civil servant wants to give up his particular end of the work. At the same time I believe he was quite wrong in his criticism of the overlapping of health measures. We must realize that we cannot give the whole work to the provinces, because in so doing we should be interfering with the care of immigrants in quarantine, and like matters. At the same time the federal government will not take over the whole responsibility for the health of the people, and it may be that they should not. As some of the work has to be done at one point, such as at the coast, and other work elsewhere, it becomes a matter of cooperation.

I repeat, I regret very much that the Minister of National Health did not take a more constructive attitude. We were handicapped during the regime of the last government with an attitude similar to that taken by the present minister. Had I not seen the minister speaking this evening, I would have said it was the one who held office five years ago.

Mr. MacLAREN: What about great minds?

Mr. SPENCER: Yes, great minds think alike. At the same time I feel that the public are demanding something more in the matter of public health. As I said before—

Mr. SPEAKER: I must call the hon. member's attention to the fact that it is now eleven o'clock.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

[Mr. Spencer.]

Tuesday, February 13, 1934

The house met at three o'clock.

SERGEANT AT ARMS

Mr. SPEAKER: I have the honour to inform the house that His Excellency the Governor General has approved of the appointment of Major Milton Fowler Gregg, V.C., M.C., and Bar, as Sergeant at Arms of this house.

PRICE SPREADS AND MASS BUYING

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

That the Hon. H. H. Stevens and Messrs. Baribeau, Bell (St. John-Albert), Boulanger, Edwards, Factor, Ilsley, Kennedy (Peace River), Kennedy (Winnipeg South Centre), Senn and Young, form the committee appointed on Friday, the 2nd of February, 1934, to inquire into the causes of spread in prices of commodities, the system of distribution of farm, natural and manufactured products, etc.

Motion agreed to.

PRIVATE BILL

FIRST READING

Bill No. 13, respecting the Buffalo and Fort Erie Public Bridge Company.—Mr. Stinson.

PRIVILEGE—MR. LUCAS

On the orders of the day:

Mr. W. T. LUCAS (Camrose): I rise to a question of privilege. Yesterday, on the orders of the day, I quoted from a Canadian Press dispatch to the effect that several conferences had been held between the Right Hon. the Prime Minister (Mr. Bennett) and the Minister of Finance (Mr. Rhodes), on the one hand, and sundry officials connected with the Canadian Bankers' Association on the other. The dispatch also further implied that as a result of the said conferences the proposed banking legislation had been redrafted several times. On the basis of this dispatch I then asked what I considered to be a perfectly proper question, and one which was intended to be neither humorous nor offensive. I inquired whether interests other than those connected with banking institutions were being consulted on this important ques-

tion. I was unable at the time to hear the Prime Minister's reply, but later on reading Hansard and also the press, I discovered that that reply made an unfavourable reference to my conduct in this house. The Prime Minister's remarks will be found on page 460 of Hansard as follows:

> If the hon. gentleman was as assiduous in the discharge of his duties as in endeavouring to make unnecessary trouble it would be really better for this country.

I might pass over the suggestion about my being a trouble maker, but the implied statement by the Prime Minister that the member for Camrose is negligent in the discharge of his duties is one which I am not prepared to accept, even from the right hon. gentleman, and I demand that these remarks be withdrawn.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I do not think that the statement which the hon. gentleman has made is a correct statement of what transpired; the question that he asked was somewhat different from what he has just stated. He read an extract from a newspaper—which is against the rules of the house—and made this observation:

> That is all I wish to quote. I want to ask the Prime Minister, because I do not want to give a wrong interpretation to the article, is this Bank Act being revised and the legislation for a central bank being drafted to suit the bankers only or are other interests being considered?

Obviously that question did not require any serious answer, and the answer was:

> If the hon. gentleman was as assiduous in the discharge of his duties as in endeavouring to make unnecessary trouble it would be really better for this country.

That is a fair statement, and it represents no aspersion on the hon. gentleman; because, to suggest that the government was legislating for the bankers only and not for the people, is something which no government would have the right to treat as a serious question, based on a newspaper article which itself should not have been read.

Mr. LUCAS: I am not prepared to accept that explanation. I refer you, Mr. Speaker, to standing order 41, paragraph 297. The Prime Minister distinctly implied that I was not assiduous in my duties in this house—

Mr. BENNETT: Not a bit.

Mr. LUCAS: Yesterday, on the orders of the day, Mr. Speaker, one of the members supporting the government appealed for your decision against the hon. member for Macdonald (Mr. Weir), in relation to a similar occurrence, and that hon. gentleman was asked by Your Honour to withdraw.

Mr. BENNETT The two things are not the same at all.

Mr. LUCAS: Mr. Speaker, I ask for your ruling.

Mr. SPEAKER: What is the point of order raised by the hon. member?

Mr. LUCAS: On a perfectly proper question which I asked in the house yesterday and which called for a civil reply, the Prime Minister stated as reported on page 460 of Hansard:

> If the hon. gentleman was as assiduous in the discharge of his duties as in endeavouring to make unnecessary trouble it would be really better for this country.

He has distinctly implied something against my conduct as a member and which is contrary to the rules of the house.

Mr. SPEAKER: The question as asked was undoubtedly out of order and the fact that the Prime Minister chose to make the reply that he did to the hon. member asking the question is a matter for the right hon. gentleman; if he is of opinion that another hon. member is making unnecessary trouble, it is not out of order to say so.

Mr. LUCAS: I insist that the Prime Minister was imputing improper motives to myself as a member of this house.

Mr. SPEAKER: The hon. member may not agree with the statement of the Prime Minister, but there was nothing out of order in it nor any point of order under the rules of the house. The question undoubtedly was out of order and would have been so ruled by the chair had not an answer such as that quoted been given.

Mr. ROBERT GARDINER (Acadia): I rise to a question of privilege in regard to this matter. You, sir, stated just now that the question which the hon. member for Camrose (Mr. Lucas) asked of the Prime Minister (Mr. Bennett) yesterday was out of order and that because it was out of order, I take it from your statement, the Prime Minister could make any answer he saw fit. It would appear to me that if the question was out of order, it was your duty so to state at the time without permitting the Prime Minister to reply, but in his reply, if anyone reads the statement, he would lead the public to believe the hon. member for Camrose is not assiduous in the discharge of his duties in this house. I protest against that attitude, because I know my hon. friend discharges his parliamentary duties just as

well as does any other hon. member and there should be no reflection made in that regard. I protest against your ruling.

Mr. SPEAKER: I understood the Prime Minister this afternoon to say that there was no intention on his part of implying impropriety on the part of the hon. member who asked the question.

Mr. BENNETT: Except in asking a question which in itself imputed wrong motives to a government—that was what I tried to say. It was a question which as it read imputed wrong motives to the government and it was out of order.

Mr. LUCAS: Mr. Speaker—

Mr. SPEAKER: The hon. member must not continue this discussion. The question was asked and answered. As I said a few moments ago, the question in the first place was not in order and nothing in the Prime Minister's statement of yesterday was out of order.

Mr. LUCAS: I must appeal against your ruling.

Mr. SPEAKER: There must be no more discussion; that is my ruling.

Mr LUCAS: Might I ask just what your ruling is on this question?

Mr SPEAKER: My ruling is that the hon. member is out of order.

Mr. LUCAS: I am sorry, but I must appeal against your decision, Mr. Speaker.

Mr. GARDINER: Mr. Speaker, the hon. member for Camrose has appealed against your ruling. Will you please put the question?

Mr. SPEAKER: I would ask the hon. member for Camrose to put the statement of his appeal in writing so that I may know what it is.

On February 12, on the orders of the day being called, the hon. member for Camrose quoted from a Canadian Press dispatch in that morning's paper, as follows:

Mr. W. T. Lucas (Camrose): A Canadian Press dispatch in this morning's paper states:

Banking legislation occupies the Dominion government almost exclusively at a three hour session of cabinet council Saturday, and it is anticipated the bills to authorize establishment of a central bank, and to revise the Bank Act, will be brought into the House of Commons this week.

Several conferences between Prime Minister R. B. Bennett and Hon. E. N. Rhodes, Minister of Finance, and officials of the Canadian Bankers' Association have taken place in the past fortnight and the draft bill has been revised several times since it was printed.

[Mr. Gardiner.]

Mr. Speaker: Will the hon. member proceed to ask his question?

Mr. Lucas: That is all I wish to quote. I want to ask the Prime Minister, because I do not want to give a wrong interpretation to the article, is this Bank Act being revised and the legislation for a central bank being drafted to suit the bankers only or are other interests being considered?

Right Hon. R. B. Bennett (Prime Minister): If the hon. gentleman was as assiduous in the discharge of his duties as in endeavouring to make unnecessary trouble it would be really better for this country.

To-day the hon. member for Camrose complains of this statement made yesterday by the Prime Minister. The Prime Minister explained that he had not intended to cast any reflection on the hon. member for Camrose, and the hon. member for Camrose continuing to discuss the matter, he was ruled out of order by the Speaker, on which ruling the hon. member appeals against the Speaker's ruling that he was out of order.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Anderson (Halton)
Arsenault
Arthurs
Barber
Baribeau
Barrette
Beaubier
Belec
Bell (St. Antoine)
Bennett
Beynon
Bourgeois
Bowman
Boyes
Bradette
Burns
Bury
Cahan
Casselman
Chaplin
Charters
Chevrier
Cotnam
Cowan (Long Lake)
Davies
Denis
Dickie
Dupré
Duranleau
Embury
Ernst
Fortin
Fraser (Cariboo)
Fraser (Northumberland, O.)
Ganong
Garland (Carleton)
Geary
Gobeil
Gordon
Gott
Guthrie
Hanbury
Hanson (York-Sunbury)
Harris
Hay
Hepburn
Jacobs
Kennedy (Winnipeg South Centre)
Lacroix
Laflèche
Larue
Laurin
Loucks
MacLaren
MacMillan (Mackenzie)
MacNicol
McGillis
McGregor
Maloney
Manion
Matthews
Michaud
Moore (Chateauguay-Huntingdon)
Morand
Motherwell
Mullins
Munn
Myers
Nicholson
Peck
Perley (Qu'Appelle)
Perley, Sir George
Pickel

Plunkett	Spankie
Porteous	Spence
Pouliot	Spotton
Price	Sproule
Quinn	Stanley
Rhéaume	Stevens
Rhodes	Stewart (Leeds)
Roberge	Stewart (Lethbridge)
Robinson	Stirling
Rogers	Stitt (Nelson)
Ross	Stitt (Selkirk)
Rowe	Sutherland
Rutherford	Tétreault
Ryerson	Thompson (Lanark)
Senn	Weese
Shaver	Weir (Melfort)
Short	White (London)
Simpson (Simcoe North)	White (Mount Royal)
	Willis
Simpson (Algoma West)	Wilson
	Young—115.
Smoke	

NAYS

Messrs:

Beaubien	Ilsley
Bertrand	Jean
Bothwell	Kennedy
Brown,	(Peace River)
Butcher	King, Mackenzie
Carmichael	Lapointe
Casgrain	Lucas
Coote	Luchkovich
Deslauriers	MacInnis
Euler	Macphail, Miss
Factor	McIntosh
Fafard	Marcil
Ferland	Mitchell
Fiset, Sir Eugène	Neill
Fontaine	Ralston
Gardiner	Reid
Garland (Bow River)	Rinfret
Gershaw	Sanderson
Girouard	Spencer
Goulet	Taylor
Hanson (Skeena)	Totzke
Heaps	Vallance
Heenan	Veniot
Howard	Weir (Macdonald)
Howden	Woodsworth—49.

Mr. MURPHY: I was paired with the hon. member for West Edmonton (Mr. Stewart). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. McKenzie). Had I voted, I would have voted to sustain the Speaker's ruling.

BRITISH COLUMBIA COAL IMPORTS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): The hon. member for Comox-Alberni (Mr. Neill) made an inquiry the other day, and I promised I would reply yesterday. By an oversight the matter was not then dealt with. I find on investigation that the rule has been that when questions are asked the answer to which would disclose the business of an importer, such answer has not been given. That has been the rule. I see no reason why it should be departed from. I am not expressing any opinion with respect to this particular case, but I promised I would indicate to the house what the rule has been so far as I can ascertain.

WHEAT AGREEMENT

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): I would like to address a question to the Prime Minister. On Friday last Mr. Sanford Evans made a speech in the Manitoba legislature in which he dealt with the wheat agreement, and stated that besides the main contract a supplementary agreement existed but it had never been made public. I would like to ask the Prime Minister if there is any other agreement in existence except the one we have in our possession.

Right Hon. R. B. BENNETT (Prime Minister): The hon. member for Weyburn (Mr. Young) probably knows that the Prime Minister of Manitoba sent a telegram, to which an answer was sent. I have not the telegram before me, but the sense of it is this, that there is no agreement entered into that has anything to do with the question of production. It was agreed that 560,000,000 bushels would be required to meet the demands of the importing countries, and of that quantity 200,000,000 bushels were allocated to the Dominion of Canada. But although Russia signed the agreement it was not determined what the quota of Russia should be. That was to be settled by the importing countries. That was the only point left unsettled, and at the meeting of the advisory committee in London a few days ago the matter was still under consideration, and has not yet been finally settled as far as I am aware. Russia claims that their available quantity of exportable wheat amounts to more than in the opinion of the representatives of the other exporting countries was available. The result is that no final arrangement has been arrived at. There is no agreement that in any sense affects the production of wheat, supplementary or otherwise. The only question was, and I suppose that is what Mr. Evans had in mind, what the allocation should be with respect to the 560,000,000 bushels that were agreed upon as being the requirements of the importing countries. The 200,000,000 bushel allocation to the Dominion of Canada was not in any sense called in question nor is it callable in question.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, February 9, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Hon. ERNEST LAPOINTE: (Quebec East): Mr. Speaker, I find it a little difficult to speak immediately after this family quarrel we have just witnessed, but you may be sure that we who have voted for the general rule that the rules of this house should apply to all in an equal manner, had no intention of taking away the support of the almost consistent supporter of the right hon. Prime Minister (Mr. Bennett).

Mr. BENNETT: Is there any rule, Mr. Speaker, that permits the hon. gentleman himself to violate a rule by making the statement he has just made? He voted against a ruling of the chair—mark you, a matter that is ended—and with his large experience he has now said that he did so in order that the chair might give equality to all. That is an insult to the chair and a direct reflection upon the rule of this house which was just adopted by a majority of 66. As a matter of order, if the hon. gentleman is going to be tenacious about questions of order, let him observe the rules and discharge those amenities in the house that a majority of 66 have said should be discharged.

Mr. LAPOINTE: Of course, Mr. Speaker, the right hon. gentleman has developed the habit of considering as an insult every opinion we have held which differed from his own. I have differed with the ruling of Your Honour, but certainly my vote cannot be considered at all as a reflection, an insult or anything of the kind.

Mr. BENNETT: Good.

Mr. LAPOINTE: I see the clouds are already disappearing, and I hope my right hon. friend will soon resume his usual good humour.

Mr. BENNETT: That cheap talk does not go far, you know.

Mr. LAPOINTE: That would follow the four hour talk of my right hon. friend. I am always pleased to follow the remarks of the right hon. gentleman in complete silence and even with admiration, though with disapproval most of the time. I only ask him to reciprocate, and if he cannot approve of what I say at least he might remain silent.

[Mr. Bennett.]

Mr. BENNETT: As long as the rules of the house are not disobeyed.

Mr. LAPOINTE: Of course my right hon friend always upholds the rules of the house. I have seconded this amendment, Mr Speaker, and that is my justification for taking part in this debate before the motion comes to a vote. As a general principle I believe everyone will agree that confidence is the bond which must exist between governments and those they rule. Confidence is what gives strength and success to their undertakings; confidence is the mainspring, the breath of life of governments, and without it no legislative, administrative or executive act of a government can carry any weight.

Especially is this so at a time of trouble and unparalleled difficulty. To-day many nations are fighting depression and ruin. Peoples with their backs to the wall have been attempting new and startling experiments. In his address the right hon. gentleman referred to President Roosevelt of the United States having been given dictatorial powers much greater than those which the House of Commons has conferred upon the Prime Minister. He forgets, however, this vital and fundamental difference between the two cases. Have you noticed, Mr. Speaker, that in every country where unprecedented powers have been granted leaders, whether it be in Italy, in Germany or in the United States, those leaders have behind them the solid support of the country. Do you believe that President Roosevelt would have been able to enlist what appears to be the unanimous support of the United States in the great initiatives he has taken in order to fight the depression in the United States if he had not had behind him the support of that nation? Opinions may differ as to whether he will succeed, but everyone agrees that he is fighting courageously and that he has the confidence of the masses in the policies he is trying to carry out, because he has proved himself independent of all controlling interests whether social or financial and because he is fighting the battle of the people. He has created a spirit, a state of mind and a national will in his country to try to come out of the abyss. He acts; he has done something, and even that is better than paralyzing inactivity.

In Ottawa, unfortunately, confidence is lacking, and without it nothing efficient can be done. The ship of state does not move.

Mr. COTNAM: Nonsense!

Mr. LAPOINTE: Who said that? It must have been an intelligent man who spoke just

now. I repeat that the ship of state does not move. At times the engine makes considerable noise, sometimes agreeable and sometimes less pleasant, but somehow it does not seem able to gather headway. The government does not possess the confidence of the people. My hon. friend says nonsense; his electors will show that there is some common sense in what I say.

Mr. HANSON (York-Sunbury): My electors will show you, all right.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. LAPOINTE: I am rather pleased to have apparently injected some life into the corpse. The government is the object of a deep and reasoned distrust, and a little later I will try to explain one or two of the reasons for that distrust. The plain truth, however, is that the government do not possess the confidence of the country, and they know it.

Mr. MALONEY: How did you find out?

Mr. LAPOINTE: There are unmistakable signs of that distress. Find out?—Well, we have had by-elections quite recently, and the verdicts have been both unequivocal and definite.

Mr. MALONEY: How about Three Rivers?

Mr. LAPOINTE: Yes, that was in 1931,—three years ago.

Mr. MALONEY: And Athabaska?

Mr. LAPOINTE: Well, what about 1930; there was no doubt about that. But the verdicts have been most definite and unequivocal. The voice of the people cannot be denied in that regard. Not only in the by-elections have they spoken, but even in the provincial elections where governments have been led by friends of the right hon. gentleman opposite, they have been doomed. The results in Nova Scotia and British Columbia are both unequivocal and definite.

Mr. ERNST: They are sorry already in Nova Scotia.

Mr. LAPOINTE: Federal issues have been discussed generally in all those elections. Even the government of the hon. member from Ontario who has just spoken is shivering on the brink.

Mr. GOTT: The Liberals will not elect twelve members in Ontario; they have no leader, or followers.

Mr. SPEAKER: I must ask hon. members not to interrupt.

Mr. LAPOINTE: I like it, Mr. Speaker.

Mr. SPEAKER: I know the hon. member addressing the house is quite able to take care of himself, but he should not be interrupted.

Mr. LAPOINTE: The government in Ontario exists only because it has extended its life for a number of years longer than the electors had in mind when electing it to power. The result in one by-election, namely that in East Kent, shows the trend of public opinion in the province of Ontario.

In his address the right hon. gentleman opposite suggested that defeat is the fate of all governments in times of depression. Well, it is not the fate of the government in the province of Quebec. In that province quite recently there have been three by-elections. One was contested and the Liberal candidate was elected by an increased majority. The two others were unopposed. One vacancy was in the constituency of Jacques Cartier, a constituency which in this house is represented by the general organizer of the Tory party in the province of Quebec. He allowed a man who at the last general election was his opponent to go unopposed to the provincial legislature.

An hon. MEMBER: Wait and see.

Mr. LAPOINTE: Yes, wait and see. That is the great cry for victory in every battle. Hon. gentlemen coming from my province know that in every instance federal issues were discussed. Their friends bitterly resented those discussions in the by-elections.

The Prime Minister and his government have been on trial everywhere, in every part of the country, in every agricultural, industrial and mining constituency throughout Canada. East and west, north and south there has been a united verdict. I have too great personal admiration for the right hon. gentleman leading the government—and he knows it—to believe for one moment that he will force himself upon an unwilling country, despite the advice he receives from those around and behind him. Let him not be deceived by the cheers with which he is acclaimed and by the interruptions with which I am received when speaking. The most powerful force in the consolidation and support behind my right hon. friend opposite in this House of Commons is the terror of a dissolution. Their cheers, and my right hon. friend knows it, have the same value as the musical expressions of those timorous people who sing when they pass a cemetery.

I have this further to say: Some people appear to be under a delusion that when a

government is elected for five years it must go to the limit of its term. The other day the hon. member for Kindersley (Mr. Carmichael) stated that his reason for opposing the amendment is that this house was elected for a term of five years, and that it must go to the limit of its term of office. Last week one of the newspapers of my own city in a well written editorial took the same stand, and said that the Prime Minister must not mind the demands for a dissolution, that he had been elected for five years and that he should stay for that length of time. This is a mistake. The American constitution provides for the election of a president for a fixed number of years. The British or Canadian cabinet has no such term of office. Its life depends on the confidence of the people and the country. It is in direct violation of the principles of our constitution that a parliament should continue its existence when it no longer commands the support or enjoys the confidence of the majority of the people. This government to-day is in as humiliating a position as was the Conservative government, or whatever its name was, in 1921. At that time all the by-elections had gone against the government when my right hon. leader moved an amendment to the address similar to the one we are now discussing. On that occasion I quoted statements of British statesmen and British constitutional authorities in support of the views I have just expressed. Time does not permit me to quote all of them in this debate, so I shall refer to only one or two. When Mr. Gladstone had dissolved parliament before the expiration of his term of office because of the fact that by-elections had gone against him, and when he had been reproached in the British House of Commons for having taken such action he said:

I think he—

Meaning the gentleman who had spoken.

—fundamentally misunderstands the constitution of this country if he supposes that the actual majority that a government may possess in an existing House of Commons is sufficient to give it more moral and political strength for the discharge of its arduous duties, after it has become apparent or when it is becoming clear that the possession of that majority is not agreeable to the sense and the convictions of the country.

And he added:

. . . and the mere possession of a parliamentary majority, satisfactory as it is when it is a true indication of the actual current of feeling and opinion of the country, is no adequate support and no adequate warrant for the continuance of a government in office if it has become clear, or when there is reasonable ground for supposing that the desires of the country are in an opposite direction.

Sir Henry Campbell-Bannerman in 1905 took the same stand. At that time his remarks were:

The moment the House of Commons gets out of touch and harmony with the country, then that plea for retaining office dissolves; and the right hon. gentleman has no right to entrench himself behind the confidence and support of his friends here after it is known to all mankind and to himself, as well as to any of them, that he has lost the confidence of the country.

I should like to quote Professor Dicey in his Law of the Constitution and what Sir William Anson says in his Law and Custom of the Constitution, but if any hon. gentlemen would like to see those quotations I would refer them to the Hansard of 1921, page 464 and following pages.

We are moving this amendment because it is the right and the duty of the opposition to protect as far as it can the constitutional doctrine of the responsibility of parliament to public opinion. The Prime Minister has lost the confidence of the country largely because of his unredeemed pledges, his broken promises, and the facility with which those promises were repudiated by one who had represented himself in 1930 as having found the key to an earthly paradise. I shall not refer to those promises as they have been quoted quite frequently in this house, but one cannot help remarking the singular similarity between the way the right hon. gentleman emphasized those pledges and the way Herr Hitler in Germany speaks to his people. The Prime Minister used to finish his sentences by saying, "or I will perish in the attempt." Hitler, in his momentous address to the German people on the eve of the so-called elections a few months ago used the following language, "If I fail, hang me to the gallows." Mr. Speaker, we are not cruel on this side of the house and the only thing we want to hang my right hon. friend with is the ballot boxes of the electors of Canada.

The public distrust which is shown everywhere in the country is largely due to the failure of all the policies which have been initiated by this government, and which have almost ruined our trade and made our agriculture destitute. At every meeting where it was my privilege to speak, either at by-elections or elsewhere, I have asked the friends of this government to name a single one of its policies which has been successful. At last one of the ministers seemed to take up the cudgels and discussed at length the reduction of the expenditure of the Canadian National Railway. What a tremendous achievement!

The trade policies of hon. gentlemen opposite have inflicted a death blow to our national railways. Our railways do not carry any more freight; some stations are closed; shops are inactive; men are dismissed or suspended, and others have had their wages cut; and then the government is proud of that record of having reduced the expenditure on the Canadian National Railway. The government deserves as much credit for that reduction of expenditure as an inefficient and unsuccessful merchant deserves who, when he is on the verge of bankruptcy, dismisses his employees, closes some of his stores and buys no more goods. He also reduces his expenditures.

We have been told every session to wait. At the first session we were told to wait until the imperial conference took place in 1930. In the following session we were told to wait until the Ottawa conference took place. Then afterwards we were told to wait until the world economic conference took place. Well, it has taken place, and the best that can be said about this last conference is that its failure did not cause the tremendous consequences which had been predicted that lack of success would bring about. Every statesman, everyone who had anything to do with that conference from the illustrious personality who opened it down to the humblest delegate, all stated that the strongest reason for the success of the conference was that the peoples of the world could not face the result of failure. But fortunately the breaking down of that conference does not seem to have been followed by anything more disastrous than what preceded it. We would be justified, however, in believing that sooner or later the world will suffer greater material harm if there is no international agreement as to trade, and if the nations do not begin to realize that they cannot all of them try to sell the same things in the same market at the same time. They must try to cooperate and exchange goods with one another and modify tariffs, quotas, embargoes and so forth.

That conference served to emphasize in a most glaring manner what is the real trouble in almost every country in the world. On the first day the delegates were all unanimous as to the changes that had to be made. They all deplored the economic situation brought about by the policies of the individual countries. Secretary of State Hull, of the United States, summarized the evil in this way:

> Economic nationalism as practised since the war comprises every single method of obstructing international capital and trade, such as high tariffs, quotas, embargoes, exchange restrictions and depreciated currencies.

Everybody seemed to agree that something must be done, but immediately after the real work started, the fight began so that the coming changes should not affect the respective countries of the delegates. The same condition exists in the national field. Everybody in Canada seems to admit the necessity of reforms, but those who seem to have most to do with the government of the country are not willing that those reforms should affect themselves or their respective industries.

The Prime Minister, of course, had disqualified himself from assuming any position of leadership in the promotion of needed reforms at the conference because as soon as he took office he summoned parliament for the purpose of erecting a wall around Canada, a wall of tariffs, high duties and embargoes. What moral authority could he have, then, to preach the return to economic sanity and cooperation? The Prime Minister now gives as his justification for his tariff policy of 1930 that we had then an unfavourable balance of trade, and that had to be changed. I do not wish to express any opinion as to the merits or demerits of a favourable balance of trade, but I remember many hon. gentlemen opposite who said in my presence in this house that it did not mean anything. Further, during all the years when we had an overwhelmingly favourable balance of trade, the right hon. gentleman and his friends were just as vociferously clamouring for higher duties and higher protection in this house.

May I also say to the Prime Minister that what the people of this country are most anxious for is not a favourable balance of trade, so far as the trade of the country is concerned. What they do want is a favourable balance of trade in their own business, and that balance has been unfavourable because of the policies of the administration. The Prime Minister has been most unfortunate in translating patriotism into tariff barriers. In 1930 he erected that barrier of the tariff just before he went to the imperial economic conference, where he proposed to lower our tariff by ten per cent to the countries of the empire in exchange for a preference in the British market. But, of course, they all realized over there that when a wall is so high that it is impossible to get over it, it does not mean much to have it cut ten per cent if you cannot get over the wall even then. And that is why one of the fellow delegates of the Prime Minister qualified his proposal in a way which, in this parliament, we are too courteous to describe.

Following this we had the Ottawa conference. This conference has been described as a great achievement by the mover and seconder of the address. I consider it another link in the chain of harmful policies which are hampering world trade. As the right hon. gentleman had tied his hands in advance, before he went to the conference in 1930, so he tied his hands in advance, by the Ottawa agreement, before he went to the world economic conference of 1933. We have higher tariffs against all nations on a large number of articles, and he bound us by treaty not to change those tariffs, before entering into negotiations and common agreement with other nations.

In the Contemporary Review of January, 1934, Sir Archibald Sinclair gives the reasons why he has crossed the floor in the British House of Commons. At page 4 he says:

> It is true that the economic situation remained grave, but in the view of the Liberal ministers it was being aggravated by the protectionist policy of the government, and from their standpoint the only possible justification for remaining in the government was the hope that the world economic conference would result in an abatement of economic nationalism throughout the world and the restoration of world trade.
>
> This hope, however, was impaired, if not destroyed, by the Ottawa agreements. If international trade was to be restored, one of the primary objectives which the British government were bound to pursue at the conference was the abolition of quotas which Mr. Runciman, the President of the Board of Trade, described at St. Ives on February 2, 1933, as "insane" and "the curse of European trade." Yet as a result of Ottawa we should be adopting quotas in this country at the very time when the Prime Minister, as chairman of the conference, would be appealing to other nations to relinquish theirs. Similar exhortations would be delivered by leading British ministers to foreign nations to lower their tariff walls; yet at the same time, as a result of Ottawa, large increases of British tariffs were in contemplation.

My right hon. friend can see therefore that we are not the only ones who deplore the trend that matters commercial have taken as a result of the Ottawa conference. My view is that economic imperialism as initiated by the Ottawa conference is not much better than economic nationalism as practised by the right hon. gentleman in 1930.

I am afraid that the forty minute rule will prevent me from saying all that I should like to say with respect to trade and similar matters in relation to the economic conference, because there is one question in particular on which I desire to say a word or two. I refer to the question of titles. I do not wish to discuss this matter at any length, but merely to defend the action of the House of Commons of 1919 and to repel the charge of the Prime Minister that it was an affront to the King on the part of those who voted for that resolution. It is true that the resolution was not an act of parliament. The right hon. gentleman has built up a man of straw in order to knock him down when he says that only an act of parliament could abolish the prerogative. Nobody ever said that the prerogative did not exist; nobody ever said that this resolution of the House of Commons destroyed or abrogated the prerogative. It did not abolish it, nor was it intended to abolish it; it merely conveyed the will of the people of Canada, through their elected representatives, that this prerogative should not be exercised so far as Canada was concerned. The right hon. gentleman knows very well that, either by statute or by the conventional rules of the constitution, the King's prerogatives have been transferred to the ministry. Many people have queer ideas regarding the royal prerogative. In the exercise of the prerogative the crown acts on the advice of its ministers, who are responsible to parliament for the proper exercise of the authority. There is in fact no executive act of the crown for which some member of the ministry or the ministry collectively is not responsible. Things which the King formerly did by virtue of his prerogative he now does by virtue of the advice of those to whom the discretionary power has been transferred. And so, as Dicey states in his Law of the Constitution, eighth edition, page 421:

> We may use the term "prerogative" as equivalent to the discretionary authority of the executive.

Ridges, in Constitutional Law of England, fourth edition, page 157, says:

> The prerogative is no longer the personal prerogative of the king but the privilege of the executive.

Of course, everyone knows that honours are not bestowed by the King but by the Prime Minister. When His Majesty the King is mentioned in the resolution of 1919 it is His Majesty the King in the constitutional sense, namely, the authority that has discretionary power, the executive. I have no objection to the change which my hon. friend from East Hamilton (Mr. Mitchell) is making in his resolution in order to meet the views of the Prime Minister and take away from him an excuse for opposing the resolution, but I still believe he was right in the way he had originally proposed it.

The Prime Minister suggested that his predecessors and those who were here in 1919 had no time to see his point because of

pressure of business. Let me tell him that the question was studied and considered and discussed for two consecutive sessions. A strong committee of the house was appointed and it sat for a long time. Strong men were on the committee, and the resolution was drafted as the result of the work of that committee. The resolution was voted for and approved by gentlemen who would not agree to anything which would have been an affront to the King. And I may say to my right hon. friend that there were men on this committee who would have been able to see whether or not there was an affront to His Majesty. The Hon. N. W. Rowell, present president of the Canadian Bar Association, was one of those who voted for the resolution, and he does not deserve the imputation conveyed in the words of the Prime Minister. So was the Right Hon. W. S. Fielding, and he did not deserve this imputation. So was my hon. friend the Minister of Railways and Canals (Mr. Manion), so was my hon. friend from Muskoka-Ontario (Mr. McGibbon), and so were many others who voted on that resolution, as I did.

Mr. McGIBBON: Will the hon. gentleman allow me to explain—

Mr. LAPOINTE: If my time is extended I have no objection. It is not at all an affront to the King to say that honours in the old country have been sold time and again and have been a source of corruption; nor was it an affront to the King to say that in this country titles were granted in a most tactless way. And that was the reason why the institution had become so discredited in Canada. We offer no affront to the King when we say this. It was the ministry that was responsible and it was the ministry that deserved the imputation. With reference to the speech of His Excellency, I have even heard some say that it was a stupid document. Surely nobody means that as an affront to His Excellency; it is because His Excellency has the misfortune of receiving bad advice from those who are responsible for the drafting of that document. May I say at this point: Why throw this bone of discussion into the arena at the present time? Why divide the people on the question? Who asked for it? Were we not happy without it? Was there any body of public opinion anywhere clamouring for this obnoxious practice? I have heard it said that because of this restraint, Canada was on a footing of inferiority with other British countries; indeed, that Canada was not equal to Newfoundland where there are more knights to the square mile than anywhere else in the world, that Canadians have an inferiority complex when they think or speak of the ancient colony. This alleged wound to the national dignity is sheer nonsense, to use an expression that has been used by the other side this afternoon. Canadians have never been prouder of their country than they have been since 1919. May I mention the Peace treaty, the League of Nations, higher constitutional development, the conference of 1926, the Westminster Statute, and to please my right hon. friend I shall even include the Ottawa conference. Canada is a nation. We may have no ribbons or medals, but we have pride of country; we have national dignity; we have love of service for what service carries in itself for those who devote themselves to it.

Let me say, though, as regards those who were selected this year to receive titles, that no better persons could have been found in Canada. But do hon. members think the prestige of the Chief Justice of the Supreme Court, one of the greatest legal men of the world, has been enhanced because he has been given this little word before his name? The same is true as regards the Chief Justice of my province; no better man exists in the world, but he did not need that title. In my city of Quebec I know a good lady who really deserves anything in the world, but the O.B.E. or C.M.G. or whatever the letters are does not add anything to the prestige of that lady; she does honour to the order she has been given; the order does not add anything to her.

Before I conclude, there is one thing I should like my right hon. friend to tell us as soon as possible. In western Canada on two or three occasions and even in the house last session he stated that there are some distinguished Liberals who have told him they approve his policy. Everywhere I have spoken, I have asked the right hon. gentleman—probably he did not read my speeches—to tell me who that most distinguished Liberal is? Where does he live? Surely he is not in Restigouche-Madawaska or in Mackenzie. Is he in Nova Scotia? Is he in British Columbia? Let him tell us the name of that most distinguished Liberal who has the confidence of the Prime Minister. Surely we are entitled to that disclosure.

While my right hon. friend is in the mood of taking us into his confidence I would like him to tell us where Canada stands as regards the advances or guarantees we have given in connection with wheat. This question has been discussed vaguely each year for the last two years, but so far nobody has been able

to find out where the country stands financially so far as the wheat question is concerned. We would like also to have all details as to the guarantees that have been given to the railway companies or other corporations or other people. We want light during this session of parliament.

Mr. CANTLEY: The hon. gentleman needs it.

Mr. LAPOINTE: I hope so. My concluding words are these: We are not the majority of this house, but we represent the majority in the country and as such it is all the more our duty to require all information and to defend the rights of the people during the present session. Nothing will prevent us from doing so. Hon. gentlemen opposite have a majority in parliament, it is true, but I would not change with them because we have the majority in Canada.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, in a sentence I should like to join with those others who have congratulated the mover and the seconder of the address on the splendid way in which they carried out that always difficult duty. We have been sitting in the house now for something over two weeks listening to a so-called debate on that motion, and I have noticed that practically all of the debate has been carried on by the official opposition. I had my secretary yesterday count the number of speeches and he informed me that the government had made eight; the C.C.F. had made eight and the Liberals, counting my hon. friend (Mr. Lapointe) who has just taken his seat, had made twenty-eight speeches. I have been sitting in this house now for nineteen sessions and I say in all sincerity that this has been the dullest, the most destructive and the most useless debate I have ever heard in the House of Commons. In a last minute effort to resuscitate the body which they have practically killed, my hon. friends are, I understand putting on three of their headliners to-day, the hon. gentleman who has just spoken being the first. Without meaning to say anything offensive to him, I do not think he has raised the average at all. In his speech he had but one good word for anybody and that was for President Roosevelt. His leader (Mr. Mackenzie King) preceded him in the same attitude. All I have to say about that is that if my leader had dared to take the arbitrary course that President Roosevelt has taken on many questions on many occasions, I can just hear the purple being torn off the skies by the leader of the opposition and the ex-Minister of Justice in accusing my leader of being a tyrant and an autocrat.

The hon. member who has just taken his seat says that we have not the confidence of the people and that therefore we should go to the country. Well, we shall be taking a vote on that question very shortly and perhaps this afternoon we shall know whether we have the confidence of the people. The only way in which one can judge of the confidence of the people of this country is to judge by the confidence of the house. It is rather a new doctrine that the hon. member for Quebec East is putting forward to-day that the opposition is the party which should fix the time for an election. I have never before noticed my hon. friend when he was a member of a government asking our opinion as to when an election should be called and I can assure him that we shall not ask his. His statement that the majority in the country is supporting them will have to be proved on the next occasion that the majority in the country get an opportunity, but I well remember during the last election in 1930, not only he but all the other followers of the right hon. gentleman (Mr. Mackenzie King) including the right hon. gentleman himself, insisted that they had the majority supporting them then, although, as the result showed, that was not the case.

I am sure my hon. friend from Quebec East will pardon me if I do not spend any more time on his speech. I endeavoured to jot down any real points he made so I could deal with them, but as he made very few there is almost nothing for me to deal with. I am however, going to deal with some points made by some of the other lieutenants of the right hon. gentleman. My hon. friend, the member for Vancouver Centre (Mr. Mackenzie) and my hon. friend, the member for Melville (Mr. Motherwell) recently visited my constituency, and I thank them for doing so, because never did I have such meetings there as those I have had since then. The hon. gentlemen in their speeches, which I am sure were very well received, because I know they had good crowds, made some statements which I intend to deal with because they illustrate the high, wide and handsome way in which the lieutenants of my right hon. friend are going to deal with the issues in the coming election. The hon. member for Vancouver Centre made the statement—I quote from the Times-Journal which, not being one of my active supporters, I hope quoted him correctly, as they usually even quote me correctly—

Mr. HANBURY: But not your leader.

Mr. MANION: I do not know what my hon. friend is referring to. The hon. gentleman made the statement that Canada's debt was slashed in the five years of the Liberal regime by $257,000,000.

An hon. MEMBER: More than that.

Mr. MANION: That is the figure quoted in the Times-Journal. I wish to point out that that may be correct as far as the direct debt is concerned, but my hon. friend, like the right hon. gentleman himself and other lieutenants of his, forgot the indirect debt which was added to this country during their regime. From 1923 to 1930 the railway debt of Canada was increased to the extent of $461,000,000, just about double the amount of the decrease as given by the hon. member for Vancouver Centre. And the interest on the railway debt was increased by $20,000,000 per annum. That is the indirect charge that is being paid by the people of this country through taxes at the present time. So they are not fair in stating that they cut down the debt of this country at all.

Then another statement my hon. friend made, in speaking of the wheat marketing policy of the government, was that the people have already suffered a loss of $30,000,000 by the action of this government. I merely say that the people of this country have not yet at any rate suffered a loss of one penny. The deal is not completed and no one knows at this moment whether we will suffer a loss at all or reap a profit.

Speaking of the royal commission on railways, my hon. friend said its recommendations were for a policy of amalgamation. That is absolutely untrue, they absolutely declared against amalgamation. Then he went on to say that by this amalgamation the government was trying to effect the absorption of one of Canada's great transportation systems, and an accounting would have to be asked for this effort to destroy public ownership. That is so plainly a misstatement that I do not intend to deal with it except to say that for the right hon. gentleman to say,—and he is supported by the hon. member for Kenora-Rainy River (Mr. Heenan) on every platform on which he goes—to say that this government is attempting to bring about amalgamation does not alter the fact that the law of this country to-day, introduced by the present government, prevents amalgamation. The last clause in the act to which he refers reads as follows:

> Nothing in this act shall be deemed to authorize the amalgamation of any railway company which is comprised in National railways with any railway company which is comprised in Pacific railways nor to authorize the unified management and control of the railway system which forms part of National railways with the railway system which forms part of Pacific railways.

So that amalgamation is absolutely forbidden by the law of this country. There are two distinct and separate managements for the railways, there is no hint of amalgamation. There has been some pooling of passenger traffic and probably there will be more, but as far as amalgamation is concerned there has been no hint of it and there will be none under this government.

Then the hon. gentleman brought in a subject which I say should not be brought into politics at all, and which up to his coming into this house was kept out of politics. He spoke of "another gross breach of faith by this government" towards the returned soldiers. There has been no breach of faith towards returned soldiers by this government, and I will be fair to the other side and say that there was no gross breach of faith by the late government towards returned soldiers. All the governments of this country from 1919 on have been eminently fair to the returned soldiers, and I make the statement now that I have made many times, that the returned soldiers of Canada have been treated better than the returned soldiers of any other country in the world.

Mr. HANBURY: By legislation, but not in operation.

Mr. MANION: It is possible that by some rigidities of the pension commission, if you will, there may have been an occasional injustice done. These injustices, if they exist, can be corrected, and as far as I am concerned and this government, we are anxious to correct any injustices, as anxious as my hon. friend who has just spoken and as all hon. members on this side or the other side or the third side have been in dealing with questions affecting returned soldiers in the soldiers' committee. But I suggest to my hon. friend from Vancouver Centre that when he or his friends attempt, as I am told they are doing, to inject this question into politics—

Mr. MACKENZIE (Vancouver): That is absolutely incorrect.

Mr. MANION: I am glad to have that statement. At any rate he did throw it into politics in this statement in Fort William. When he or any hon. member brings the returned soldier question into politics he is doing the greatest disservice to the returned soldiers of this country that he or any man

can do. No body of men stand to suffer so much by bringing the returned soldier question into politics as the returned soldiers themselves. I suggest to any of those who think of bringing it into politics, whether they are within or without this house, that they should be very hesitant about making such a move.

I do not intend to deal any further with my hon. friend from Vancouver Centre; I wish now to deal with statements made by the hon. member for Melville. He made a speech at Fort William, and like the hon. member for Vancouver Centre he was very well received, they all liked him very much. I do not think they took him very seriously, because one man said he was the most comical man who had ever come to Fort William. The hon. member for Melville said that the whole bonus policy on wheat was asinine and stupid. I suppose he does not find any fault with that quotation?

Mr. MOTHERWELL: I think that yet so far as the government's policy related to those who had no crop.

Mr. MANION: What puzzles me is that when that policy was being put in force the hon. gentleman was sitting in this house and I do not remember that he took any such attitude then. I remember standing in this house and daring any hon. member on the other side to stand up and oppose the wheat bonus policy, and not one rose to oppose it. Certain hon. gentlemen over there took the attitude that some details should be changed, that it should be carried out in some other way—

Mr. HEPBURN: You are quite wrong. I opposed the wheat bonus policy and spoke against such policy.

Mr. MANION: Yes, I think that is correct, I think the hon. gentleman who now leads in absentia the Liberal party in the Ontario house did.

Mr. HANBURY: What was the vote reported in Hansard?

Mr. MANION: The hon. gentleman said Canada got no preference out of the imperial economic conference whatever—

Mr. MOTHERWELL: For wheat.

Mr. MANION: That is not what the paper quotes him as saying. But we get six cents a bushel on wheat, if you limit it to that.

Mr. MOTHERWELL: The Prime Minister does not say so.

Mr. MANION: This paper quotes the hon. gentleman as saying we get no preference whatever. On wheat we get six cents; we get a preferential quota on bacon and ham; a most substantial preference on cheese, apples, etc., and on copper, and a ten year preference on Canadian grown or manufactured tobacco. These are among the preferences we get.

Then the hon. gentleman spoke of the price of wheat, and he said that my right hon leader had driven down the price of wheat to the lowest it had been in three hundred years. Well, I do not need to deal with such a statement as that, because I do not think that even my hon. friend would seriously contend that the Prime Minister of Canada has the power to drive down the world price of wheat to the lowest it has been in three hundred years. The only thing I have to say in regard to the hon. gentlemen who were in my constituency—and whom I will be happy to welcome back before the next election because if they come at that time I think I will get an acclamation—is that when a new edition of Baron Munchausen is published, I hope their speeches will be included.

My only reason for making these references is that they illustrate the attitude the hon. gentlemen take when they get away from Ottawa, in places where they think—wrongly, I am sure—that the people do not understand these questions. I have a particularly cultivated and highly educated constituency, and I suggest to my hon. friends that when they try to put over this sort of stuff they should stay away from Fort William; my constituents have had a good member too long to be uninformed on any of the public questions of this country.

Now I should like to deal for a little while with my right hon. friend the leader of the opposition (Mr. Mackenzie King) who spent four hours and twenty minutes, covering forty-two interminable pages of Hansard, weeping and wailing and gnashing his teeth about the terrible conditions in this country and the way the government is forgetting to do anything, not to help the country on the up-grade because he does not admit there is any up-grade, but to prevent the country from going further down-grade. Jeremiah, I think, was a cheerful optimist compared with the right hon. gentleman in his four hour and twenty minute speech the other day. What I should like to ask my right hon. friend is why he took four hours and twenty minutes and why he covered forty-two pages of Hansard in order to say what he could have said completely in one sentence; that is, that he had no use whatever for this government or any of its works, and that he would not admit of an improvement in business conditions in Canada, even though that

improvement had already taken place. That was the attitude taken by my right hon. friend. The fact that the improvement has taken place did not affect him in the least except in reference to the coming election. He wants the election sooner, because he is afraid the improvement is coming too quickly. He does not like our tariff policies, our trade policies and pacts, our agricultural policy, our wheat agreement or our unemployment measures.

Mr. DUPUIS: Or titles.

Mr. MANION: I am not sure about that; he said he had nothing against titles. I think perhaps he is looking forward to the next time he gets in power. He objected to titles from their constitutional aspect but not from their personal aspect. He does not like our railway policies, and for that matter he does not like any of our policies. The impression I got from his speech was that he does not like the government, but the things that depressed him most were the Prime Minister's speech and the Prime Minister's optimism. As a matter of fact the right hon. gentleman objects to optimism of any kind; he does not think there should be any optimism at all. He thinks this government caused the world depression, and I think if he told the truth he would say that in his opinion we caused the war. Travelling home the other day, in company with the Minister of Public Works (Mr. Stewart), I looked over his speech; I spent my time reading the whole forty-two pages of it. I belong to that religion, Mr. Speaker, which believes in purgatory, and since reading that speech I have come to the conclusion that when I suffer in purgatory for my sins I am going to be forced to do my suffering in reading the right hon. gentleman's speeches.

Mr. MACKENZIE KING: I hope my hon. friend does not flatter himself by thinking he will get off with purgatory.

Mr. MANION: Well, I am even more convinced, Mr. Speaker, that if I go to hell I will be reading his speeches all the time; yes, and the Prime Minister suggests, that I may even have to listen to them there.

Mr. MACKENZIE KING: My hon. friend might be happy, even where he suggests, if he did not have to listen to the right hon. Prime Minister.

Mr. MANION: Probably the Prime Minister will not go there; he will probably go to a better land than either my right hon. friend or myself.

To be serious again, the right hon. gentleman objected very strenuously to the suggestion that there has been any improvement in conditions generally throughout the country. I cannot agree with his objection, because the Prime Minister quoted, as I am going to quote also, the improvement of 8 per cent in commodity prices in the latter part of last year as compared with the earlier part; security prices are up 63 per cent, farm prices 25 per cent, employment 17 per cent, contracts 72 per cent, industrial production 40 per cent, mining production 27 per cent, domestic exports 13 per cent and revenue carloadings 4 per cent. May I say also that in the last five weeks the revenues of the Canadian National Railways, as compared with the period to February 7 of last year, have been up $2,265,000.

In view of all these facts, Mr. Speaker, no sensible person can deny an improvement in conditions, but the right hon. gentleman says, "To perdition with such facts; if they do not agree with my speech so much the worse for the facts. Statistics and statisticians are crooked; like the House of Commons they are merely rubber stamps for that tyrant the Prime Minister. Therefore," he says, "let us have an election at once—" and under his breath he adds, "—to beat the improvement which is coming along. Let us capitalize the discontent and go to the country forthwith."

Then in his speech he goes a little further and twits us for condemning him and his lieutenants for offering nothing constructive. When I came to that part of his remarks I thought I was coming to his constructive suggestions, but what did I find? I found that he took some pages of Hansard to outline those constructive suggestions, and the first one he offered was a dominion-provincial conference. Well, Mr. Speaker, we have had four such conferences, and in practically everything we do to relieve conditions we are carrying out the suggestions advanced at those conferences. Another constructive suggestion was that we should audit the accounts of the provinces. Well, that might relieve the unemployment of a few auditors, but I do not know that it would help conditions generally throughout the country.

Then the right hon. gentleman went on to condemn the form of government by order in council, as carried on by us. The right hon. gentleman has always taken that stand; he has always played up that point, not only in the house but also throughout the country. I say now that he knows better than anyone

knows that no government can carry on at any time without orders in council totalling five or six thousand in a year. There never is a time when orders in council are so necessary as in a time of crisis and emergency such as that through which we have just passed. I say to the house now that had it not been that this government had power to pass orders in council not only would some of the western provinces have gone into insolvency, not only would they have repudiated their debts, but thousands of people would have starved to death before we could have come to this house for the necessary legislation.

Those were the constructive suggestions advanced by the right hon. gentleman. I do not see very much in them to help the situation. In another part of his speech he went on to say that he is going to support the formation of a central bank, and that he is going to support very strongly the establishment of agricultural credits and the institution of unemployment insurance. As I said before, Mr. Speaker, I have been in this house for nineteen sessions, and I think in each of those sessions the question of agricultural credits has been one of the live topics of the day. The right hon. gentleman was in power for nine years. Why did he not put some system into effect? So far as the central bank is concerned, now that we are bringing in legislation to create the central bank he is a great supporter of the idea but, like agricultural credits, this question might have been dealt with also when he was in power.

Finally he declared himself in favour of unemployment insurance, and so did the hon. member for Vancouver Centre. They want it forthwith. I say to the hon. gentlemen that unemployment insurance could not be instituted in any country in the midst of a depression such as we have been passing through; at a time like this it would be impossible to create such a scheme. A time will come without doubt when this subject will have to be considered, and either insurance or something to take its place instituted in order to look after unemployed people in times such as these. But again I must point out to the right hon. gentleman that not only did he neglect to initiate any scheme of unemployment insurance during the nine years he was in power; the right hon. gentleman said at that time what has been so often quoted, that there was no unemployment, though that was almost a year after the depression had begun, for the depression began in October 1929. The right hon. gentleman went on to say that he would not give a five cent piece to any Conservative government in this country for unemployment.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Did I hear my right hon. friend say he did not make that statement? I thought I heard him say so, and I have here the extract. I carry these things with me now, so I was prepared if the right hon. gentleman had denied it.

For four hours and twenty minutes, for 42 pages, the right hon. gentleman gave us defeatism and gloom. He forgot to mention, of course, some of the other promises which he made so enthusiastically; one thing he forgot to mention was his promise that if he was elected to office he would bring about Senate reform. He gave us defeatism and gloom; he had no commendation for anything, no kind word for anybody, and he showed no sign of cooperation. Even the hon. member for Labelle (Mr. Bourassa) who has never been noted for his cooperative policies, twitted the right hon. gentleman the other evening for not giving more evidences of his willingness to cooperate with the government in a time like this. I am going to give the house one instance of something done entirely by the Prime Minister, for which he should have been given some commendation, though so far as I know that has not been done. I am going to put it on record. Back in September or October of last year there was threatened in this country a railway strike. The men on the Canadian National railways and the Canadian Pacific railway were not satisfied with the proposal of the management that another ten per cent be taken off their wages. They protested against this, and they were in a deadlock with the management. When the Prime Minister returned from England they were still deadlocked. Upon that occasion the right hon. leader of the government insisted upon the two of them getting together, and as a result a settlement was brought about. In that connection he received the following letter, and as it is of interest I wish to put it on record. Up to the present I do not think it has been placed on Hansard. Written in Montreal on October 28, it is not marked personal and was addressed to the Prime Minister as follows:

> We are pleased to advise that a satisfactory settlement has been reached to-day in the wage controversy long existing between the Canadian National and Canadian Pacific railways and their engineers, firemen, conductors, trainmen and telegraphers.
>
> We appreciate your kindly interest in this matter, and feel that your good offices were largely responsible for the amicable settlement arrived at.

By whom was that signed, Mr. Speaker? It was signed by Mr. H. B. Chase, assistant grand chief of the Brotherhood of Locomotive Engineers; by H. H. Lynch, vice-president of the Brotherhood of Locomotive Firemen and Engineers; C. S. Montooth, vice-president of the Order of Railway Conductors; W. J. Babe, vice-president of the Brotherhood of Railway Trainmen; and A. H. Phillips, vice-president of the Order of Railway Telegraphers.

Mr. HANSON (York-Sunbury): I did not hear the name of Jim Murdock.

Mr. MANION: Let me read again this particular section of the letter:

We appreciate your kindly interest in this matter, and feel that your good offices were largely responsible for the amicable settlement arrived at.

Mr. Speaker, the hon. member who took his seat a few moments ago, namely the hon. member for Quebec East (Mr. Lapointe) asked hon. members on this side to name one policy carried out which has been of use to this country. I say to him that the policy described in this letter prevented a railway strike which, had it taken place would have been a catastrophe to Canada. Yet, my right hon. friend opposite must have known that that threatened strike was impending. Up in Laurier house he sat and not a chirp came out of him in regard to that possibility—not a word, despite the fact that the right hon. gentleman wrote a book which solved every railway question which has existed in the past, exists in the present or may exist in the future. But the right hon. gentleman had no suggestion in regard to this situation.

I can imagine the ranting which would have taken place in this house had my right hon. leader not done something to prevent the strike when he came back.

Mr. BOUCHARD: It was not a policy, it was kindly sentiment.

Mr. MANION: But my hon. friends did not express even kindly sentiment. They have not even that. The railway question is one which the right hon. gentleman opposite has evaded, because it does not reflect any great credit upon the Liberal party. When one looks back to the year 1903, a time when the Liberal party held office, and learns that up to that time only one transcontinental railway existed across the Dominion of Canada, and when one realizes that before they left office in 1911 they originated the second and third transcontinental railways one may in these days know the reason they have not so much to say. They are responsible for bringing about the duplication of railways which exists in Canada at the present time.

Mr. HANBURY: Did you oppose that policy?

Mr. MANION: I was not in this house at that time. Had hon. gentlemen had the vision they could have connected up the Grand Trunk in the east with the Canadian Northern in the west, and we would have had a second transcontinental and probably no present day railway problems. When we remember that in connection with the third transcontinental the then leader of the Liberal party took the attitude that a railway from Moncton to the Pacific coast would cost $13,000,000, and when we couple with that the fact that the real cost of the railway—not to the Pacific coast at all, but from Moncton to Winnipeg—was $173,000,000, we cannot help but believe that hon. members opposite are the ones to blame for the railway problem which exists in Canada to-day.

When we come up to a more recent date, to 1929, a pre-election year, and learn that the right hon. gentleman and his party either permitted or forced the late management of the Canadian National railways to make commitments of $250,000,000 on hotels at Halifax and other places, on steamships, terminals, the purchasing of branch railway lines and the building of others—I say when we realize that they permitted or encouraged the management to make those commitments amounting to $250,000,000 in a pre-election year, when they passed around the railway pork barrel from coast to coast, we know that they should leave the railway question alone. We have had to clean up that mess, and we have cleaned it up.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: The hon. member who has just taken his seat belittled our efforts. I say here, without fear of contradiction that anybody who knows what he is talking about will realize that we have saved the people of Canada about $15,000,000 per year in extravagant management which obtained under the late government, but which does not obtain to-day. I say, further, that the Canadian National railways are just as efficient to-day as they were when hon. members opposite went out of power. If I have ever in my life done any good work for my country it was when I helped to clean up that mess. We carried on and appointed the Duff commission. Then we appointed Mr. Fullerton, Mr. Morrow and Mr. Labelle to the railway board. I believe the railway history of this

government will stand the test of time far, far better than will the railway history of hon. gentlemen opposite.

Then, in regard to trade, the right hon. gentleman abused the present government. He compared the trade of to-day with that of a few years ago. He knows, of course, as well as does any other hon. member in the house, that the whole story of world trade is different to-day, that the trade of the world has gone down sixty per cent, and that the trade of Canada went down as did that of other countries.

Mr. EULER: The same is true of the railways, is it not?

Mr. MANION: Yes, but the same is not true of the railways in regard to the $15,000,000 we have saved in unnecessary extravagances which were being indulged in under the late government.

Mr. DUPUIS: The same is true for 1929.

Mr. MANION: The right hon. gentleman also spoke of our trade with the United States. He forgets to mention that when he was Prime Minister of this country the United States were selling us two dollars worth of goods for every dollar's worth that we sold them. In addition to that, they were putting up barriers against every line of goods we exported to them, particularly agricultural products. When we sat in opposition, as does the right hon. gentleman to-day, and suggested that the government of the day should retaliate, the only reply was that we must do nothing "to provoke" the United States. That was his attitude. While the Hawley-Smoot tariff was being put up against us and while the Fordney-McCumber tariff was working against our interests he sat quietly and said, "We must not provoke the United States." This government has dared to do that. We raised the tariffs where necessary. We treated the United States the way they treated us, and as a result we have the respect of that country. If there is to be a treaty made between this country and the United States I say that the government which has the respect of the United States would be the best government to bring it about.

I have only a few minutes left in which to speak, and in that time I shall sum up what I have said. May I point out that the truth of the whole matter is this—something which hon. members opposite do not choose to recognize when discussing present-day conditions—that the world has been going through four years of the most terrible depression it has ever known, and as a result Canada has suffered its share. There were

in industrial countries of the world 30,000,000 unemployed people. In the great rich republic to the south there were 12,000,000 or 13,000,000 unemployed. During that depression period many of the banks in the United States went into insolvency, but not one bank in Canada refused to pay one dollar to a depositor. Throughout the world debts were repudiated. Most of the European countries, if not all, have refused to pay interest on their debts, and some have refused to pay the capital. The South American republics were in the same position. Most of them are not paying interest on their bond debt, so that their bonds are selling at $6 and $7 that were originally purchased at $100. In Russia, that country which some of the hon. members in this house and elsewhere suggest we should copy, millions were starving, while not one person in Canada had to go without food, lodging or shelter—not one. That is the picture which hon. members opposite ignore. Not only did Canada share this condition, but we had such a drought throughout the western prairie provinces that as a result in Saskatchewan alone 300,000 men, women and children would not have been able to live without assistance from this government. They were carried through the winters of 1931 and 1932 by us. I say that no government and no country in the world could have prevented these conditions which were world wide. We had a crisis in the last four years which was just as great as the crisis of the great world war, and my right hon. friend was just as useful to us in this crisis as he was in the other. We have had no cooperation from him, no constructive advice. We have had only criticism, gloom and defeatism, and I should add, the offer of an election. It is often quoted against Marie Antoinette that shortly before the revolution when she was told that the people were crying for bread and could get none, she said, "Why don't they eat cake?" My right hon. friend in offering an election to the people at this time is suggesting something akin to the cake of Marie Antoinette.

Without doubt this government has faults and has made mistakes. We do not deny it. A government that does not make mistakes does not make anything, and a government that does not make mistakes in times like these would do nothing at all, but I submit with all due respect to my hon. friend from Quebec East (Mr. Lapointe) who boasted so confidently that his party has the confidence of the people, that this country will not throw this government out to take his leader to lead them. I feel almost constrained to say

that before they would take the right hon. gentleman they would take the leader of the C.C.F. in the corner, and God knows they would have to be desperate to do that, Mr. Speaker.

What is the purpose of the right hon. gentleman's desire for an election at this time? It is for the purpose of capitalizing the discontent which exists and must exist at times like these not only in Canada but in every country of the world. That is the purpose, and his fear is that the country is going ahead and will continue to do so and get back to its path of progress and prosperity before an election takes place.

In brief, what is the record of this government? During that time of crisis, which was as severe a crisis as the world war, we attempted in every way to relieve the conditions in many ways by the construction of public works in the beginning, and assisting the provinces, the municipalities and the railways to do likewise. We instituted camps for young unemployed homeless men. We have given loans to the prairie provinces, thereby saving the credit of those provinces, and in addition saving the credit of this dominion. We have saved the credit of the banks and of the railways as well. We have given direct relief when we could do nothing else, and no one in this country has starved despite the fact that in Russia millions have starved. It has cost this country $160,000,000 to do these things. But that is not all.

This government put into effect the empire trade agreements, to the credit of my right hon. leader, which increased our trade with the empire last year by $37,000,000 as compared with the year before. We corrected the adverse trade balance which was affecting our exchange, and we have kept our place as fifth among the trading nations of the world, being outdistanced only by Great Britain, the United States, Germany and France. In addition, the Prime Minister settled a threatened railway strike, which I think was one of his major achievements, and much to his credit.

That is the record of this government, a record that is equalled, I think, by no other government in any other country in the world in these times. Canada has come out of this depression in at least as good a condition as any other country of the world with the possible exception of France up until a year ago. France profited by the fact that she was rebuilding her devastated territory, and she was able to hold out against the depression longer than any other country in the world, but France to-day is in difficulty.

In this country we have started on the upgrade. Every index points to it. The world is coming back to its own, and unless the so-called civilized countries of the world are so foolish as to go into another war, the world will shortly be back to where it should be, and Canada will be leading the way. Let us keep our heads. Let us keep steady. Let us as Canadians stand shoulder to shoulder in a time like this in an effort to put this country back on its proper track. This is not a time for demagogism, but a time for leadership, and after the leadership of this government carries Canada back, as it will, to normal conditions, then we will correct other evils. We will deal with such questions as unemployment insurance and planned economy, for I personally believe that we shall have to deal with these matters. But when your house is on fire you do not stop to argue about loans or taxes. The first thing you do is to put out the fire, leaving other matters to be dealt with later.

The Prime Minister has offered a program of public works, which, of course, cannot give employment to every unemployed man in this country, but remember that for every man who is given employment directly on public works, two or more men are also given employment indirectly.

So in conclusion I make this appeal to the whole house, that the whole house help Canada upon the upgrade at this time. Look about at the condition of the world. Look at France, at Austria; look at conditions in the West Indies and in the far east, and tell me, is this a time for partyism, for strife of that kind? I say that this is a time when we should stand side by side, when we should stop reviling our country, stop preaching pessimism, defeatism and gloom. It is a time when every hon. gentleman should stop attempting to hold back the progress of this country and should stand by us and help us in getting this country started on its way forward. We have weathered the worst economic hurricane that this world has ever known and it is our duty as Canadian citizens to endeavour to bring the ship of state into a safe harbour and then, after that is done, we can go back to party strife again if necessary.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I wonder if the house will permit me, even after the characteristically fiery and ebullient speech of my hon. friend the Minister of Railways (Mr. Manion) to refer to a matter which he says, and I thoroughly agree with him, must be kept out of party politics. I want to say to my hon. friend and to this house that I am

referring to it now because I consider, and I think he and the government will agree with me, that it is a matter which requires the early attention of this house and of the government, being what I regard as a serious injustice in connection with ex-service men that should be righted.

I preface my remarks by saying that I am not making it a matter of party politics. I agree thoroughly with my hon. friend the Minister of Railways in saying that this country should congratulate itself on the fact that the problems of the ex-service men have been dealt with by this House of Commons in a non-partisan manner. Time after time we have had committees of this house appointed, with strong partisans on both sides, and these committees have brought in unanimous reports in the interests of ex-service men.

If the house will permit me for a moment, I want to bring to its attention a matter which I believe cannot stand without comment and which should be put upon record in order that the legislators gathered here may have a conception of what is going on in regard to the administration of the Pension Act in connection with the particular cases to which I refer.

I am calling attention to a practice which has grown up in the administration of the Board of Pension Commissioners whereby this board has assumed the right to determine the validity of marriages. I have a number of cases, but I shall mention only two or three. The situation is this: A man has a disability. He is pensioned for that disability. Under schedule A of the Pension Act, if he is married he gets additional pension on account of his wife, and if he has children he gets further additional pension on account of the children. The Board of Pension Commisisoners within the last year or two at least—I do not know whether this practice existed before—have instituted the practice of ascertaining whether or not the soldier who happens to be getting a pension was previously married or whether his wife was previously married, and if that is the case the board has required definite legal evidence that the previous spouse, either of the husband or of the wife, as the case may be, was dead at the time of the marriage or is dead now. That practice is different from the practice in the courts of this country. In the courts of this country there is a presumption that if a person is not heard of for seven years, by persons with whom he or she would likely be in communication, and if inquiry has been made unsuccessfully to locate such person, that person is dead. Under the criminal laws of this country a man or a woman cannot be convicted of bigamy for marrying believing that the former spouse is dead, even if seven years have not elapsed; and if seven years have elapsed, then the onus is on the crown to prove that the former spouse has in fact been heard of. Now what has the Board of Pension Commissioners been doing? I will give three cases by way of illustration.

First I will cite the case of a man with a disability—gunshot wound in the arm, fracture of both bones, arm deeply scarred, through and through bullet wound in the thigh. This man is receiving a 55 per cent pension, which entitles him to $37.50, and having a wife and six children he is entitled to an additional sum of $42, making in all $79.50. The board discovered that this man had been previously married. The circumstances were these. He was married in 1917 and lived with his wife for one week, after which time she deserted him, moving away to Toronto, and he had not since heard of or from her. He signed what he thought were papers which, as he believed, completely annulled the marriage, and in 1923 he was married again by a Protestant clergyman in Nova Scotia. With the wife of this second marriage he has lived ever since, and they have six children. They are recognized in the community as man and wife, are moral and respectable in every particular, and yet the Board of Pension Commissioners, upon finding out about the previous marriage, sent him in effect a bill for $3,000 for the money they had paid him on account of this second wife and the children, taking the view that this marriage was bigamous and that the children are consequently illegitimate. They have sent him a bill for $3,000, saying to him, "Until you pay us back to the full that $3,000 we shall not pay you one cent of the $37.50 pension." That is the practice in this particular case.

Mr. BENNETT: Without disclosing the name, the hon. member might put the man's number on record.

Mr. RALSTON: I can give it to my right hon. friend. This man writes me:

> I was a whole day signing papers in Halifax clear from my previous wife.
>
> I have six small children suffering from cold and unnourishing food. Can't my children claim their part of my pension either? If not, couldn't you get me relief for the winter months anyway. I have tried fishing and my arm gave out on me so please do something for me if you can. If I could keep my family together for a few more years I would have lots of help then. Kindly do what you can for

me. My wounds cause me sufficient pain but watching my family suffer causes me more pain so please help me.

I have in my hand the letter of the Board of Pension Commissioners, in which they say:

As the statute makes no provision for the payment of additional pension for an illegal wife or for illegitimate children the board had no alternative but to cancel the allowances from date of award.

In other words, the Board of Pension Commissioners, sitting in their judicial capacity, simply bastardized these children and declaring the marriage bigamous, without affording the man an opportunity to present his case. His pension is cut off and afterwards, if he wishes, he can make representations.

The second case is that of the wife of an ex-soldier. She was married in Ireland in 1884 and lived with her husband a year, when he deserted her. She never heard from him and believed—in fact was told—that he had died in the United States; and seventeen years afterwards she married another man in Scotland. This man is now refused a pension on account of his wife because forsooth the Board of Pension Commissioners say that there is no proof of the death of the woman's former husband, notwithstanding that the common law, as the Prime Minister and other lawyers in the house know, presumes under such circumstances that the previous spouse is dead.

The third case is perhaps the most serious, that of a man with hip amputation. This man was married in 1906 and his wife deserted him. He pursued inquiries for fifteen years but could not find her; he had no word of her. He got an order from the chief justice of a court of one of the provinces in this dominion that the first wife was presumed to be dead. Yet the Board of Pension Commissioners has reduced the pension of this man with a leg off at the hip. He was getting, I believe, something like $99 and they have taken all but $5.31 a month in order to repay what they say was an illegal payment of pension.

I mention these cases because in my opinion they are matters that should be taken up immediately by the house. I know that the government has them under consideration now, but the point is that time is running and these cases are urgent. They are all quite old, and still no action is taken by the board. I can only say that in cases of this kind, where good faith is shown, where people marry believing that they have the right to do so, and perform the duties of husband and wife, raising children and supporting them, the country, to say the least, should not fine them if something is discovered to be wrong with their marriage. The state should not take away under these circumstances what had already been paid, particularly when the Pension Act, under section 2 (c), recognizes that "children" includes illegitimate children, and when the act in another section recognizes that a widow, even though there has been no proper marriage service, was the wife of the man concerned for the purposes of pension. The rule of the board is harsh and unjust and remedial measures should be taken in connection with this matter.

Mr. BENNETT: The hon. gentleman has followed pension matters with so much more attention than most members of the house that perhaps he will answer this question. Does he think that there is any power under the statute to compel the Board of Pension Commissioners by executive action? I have been unable to satisfy myself, though I have spent a good deal of time trying to find a means of meeting the situation.

Mr. RALSTON: I do not think there is. I think the decision is purely with the board under section 5, which gives them the right to adjudicate. But the right to adjudicate includes, I submit, the right to be heard on the part of the person affected, and the board should not sit in their office and make an order for a deduction from a man's pension without giving that man—or woman as the case may be—an opportunity to be heard.

Mr. BENNETT: I share the hon. gentleman's views entirely, but my difficulty has been to deal with the matter by any method short of amending the statute, because we cannot compel the pension board to do anything.

Mr. RALSTON: Then it is all the more necessary that the house should take cognizance of it, because grave injustice is being done.

Now, there are other pension matters to which I was going to refer but I shall not be able to do so because my time is going. I did wish however to bring this particular question to the attention of the house.

I am afraid I cannot attempt to follow the Minister of Railways (Mr. Manion) in the peregrinations of his speech, but I will deal as I proceed with a few of the points he made. He did not answer, as I thought he would, my hon. friend from Quebec East (Mr. Lapointe) with regard to titles, and it seemed to me that the criticism which was made by the hon. member for Quebec East to the effect that the Prime Minister had taken an hour and a half mouthing legal technicalities in connection with a matter that does not present

any legal difficulties but is purely a question of policy, as to whether the wishes of the people's representatives in this country were to be observed, was a subject to which the right hon. gentleman might have given more attention. The Prime Minister discussed the legal aspect of the question. He read speeches by Lord Reading in the House of Lords, he quoted Mr. Justice Patterson and other constitutional authorities. But that is not the question which the people of this country are asking. The people of Canada are asking this: When the Canadian people through their representatives in the House of Commons in 1919 put on record a respectful request to the sovereign asking that titles be not granted and when that resolution stands on the books of this country to-day unchanged except that it is confirmed by a resolution in 1929 refusing to reopen the subject, why do you, Mr. Prime Minister, in the face of that, recommend titles and, in effect, affront, to use my hon. friend's word, the House of Commons? His answer was, as the hon. member for Quebec East indicated; I want to deliver the House of Commons from the charge of having affronted the sovereign.

I have not time to read more than just the first paragraph of the resolution which was passed in 1919 and which, it seems to me, was a fairly respectful one. It states:

> We humbly approach Your Majesty, praying that Your Majesty hereafter may be graciously pleased to refrain from conferring any titles upon your subjects domiciled or living in Canada.

Could anything be more respectful than that? Oh, but, my right hon. friend says, that was interfering with the prerogative of the crown. Who, as the hon. member for Quebec East suggested, forwarded that resolution to Downing street and through Downing street to Buckingham palace? Was it a gentleman accustomed to affronting the crown, a gentleman unversed in constitutional law? He was a gentleman who, I think my right hon. friend himself will admit, knows as much about constitutional law and practice as he does; it was none other than the Right Hon. Sir Robert Borden.

Mr. BENNETT: He was directed by the House of Commons to do so.

Mr. RALSTON: I do not care whether he was or not, but my right hon. friend says that the right thing to do is to fly in the face of the House of Commons and not to do as it directs.

Mr. BENNETT: He was not here himself.

[Mr. Ralston.]

Mr. RALSTON: I did not hear the Right Hon. Sir Robert Borden suggest that he was affronting His Majesty.

Mr. BENNETT: He was not here.

Mr. LAPOINTE: He was leading the government.

Mr. BENNETT: No—Sir Thomas White.

Mr. RALSTON: Sir Robert Borden was no doubt communicated with when the dispatch was transmitted. That is the only excuse my right hon. friend gives. The question is not what Lord Reading said in the British House of Commons or the Hansard case which has nothing to do with it at all. The Hansard case was one where it was decided that the rules of the House of Commons did not protect a person outside the house from some action an individual might bring against him; it had nothing to do with this question at all. But my right hon. friend took about an hour and a half to deal with those various learned authorities. The whole question the people are asking is this: Is the Prime Minister going to pay attention to the wishes of the House of Commons as expressed and as never amended, or is he not? My right hon. friend says that this was an affront to the sovereign. He knows quite well who was addressed by that resolution. As he himself has said many times, the sovereign is represented in this country by his advisers and that resolution was in effect a request to the advisers of the sovereign asking that they should not recommend titles.

Mr. BENNETT: What nonsense.

Mr. RALSTON: My right hon. friend knows quite well the sovereign never exercises that prerogative without the advice of his advisers. Therefore on this matter of titles we still come back to the question: Why did he do this? We can make any guess we like. I do not know whether it was an error of judgment on my right hon. friend's part or a determination to fly in the face of the wishes of the people. It is difficult for one to find any reason for it. In the answer he has made he certainly does not give any reason and, in dealing with the matter as he did the other night, he completely sidesteps the real issue.

Mr. CAHAN: If we consider the many resolutions passed by the House of Commons in the last fifteen or twenty years, does the hon. gentleman suggest that those various resolutions are binding upon a new parliament and a new government?

Mr. RALSTON: In the first place, to give my hon. friend a direct answer, I say that they are binding as an expression which has never been changed of the judgment of the Canadian people. That is the way in which they are binding. They are not binding in the sense that one could get an injunction against some of the recipients of titles preventing them from using the prefix "sir."

Mr. CAHAN: I should like to have a more definite answer. Numerous resolutions have been passed in the house in the last fifteen or twenty years and appear in the votes and proceedings. They are an expression of the judgment of the members who voted in favour of them, many, if not the majority of those members have passed away. Are those resolutions still binding upon this parliament?

Mr. RALSTON: They are binding as resolutions of this house. My hon. friend knows that we are to-day acting on statutes—

Mr. CAHAN: That is another matter.

Mr. RALSTON: —that were passed by people who are dead and gone—

Mr. CAHAN: Certainly.

Mr. RALSTON: —and approved by sovereigns who are dead and gone. That resolution, passed in the house in 1919, even if every man jack of the members voting for it then were dead, would, as a resolution, be as binding as a statute enacted in former days would be, as a statute, although the members supporting it were since dead. It is binding as a resolution, as an expression of the judgment of the people upon the Prime Minister—

Mr. CAHAN: An expression of the opinion of the Commons of that day.

Mr. RALSTON: —and he himself admits that he derives his authority from the House of Commons. I say to my right hon. friend that he cannot get out of the difficulty by saying: Oh, this house did not pass the resolution. Have we at every session formally to pass a resolution confirming all the resolutions that have been passed previously? The resolution stands and nobody recognized that fact more clearly than the Secretary of State (Mr. Cahan) who in 1929 introduced a resolution for the purpose of reporting upon the advisability of amending, rescinding or qualifying the resolution of 1919 which he then regarded as binding. But what is the use of talking about something being binding? We are talking about the Prime Minister flying in the face of what he knew to be the registered wish of the people through their representatives and a wish not yet changed. He has not so far given an answer that will satisfy the people as to the exercise of that right.

This brings me to a matter concerning which the Minister of Railways (Mr. Manion) had considerable to say, and that is the subject of railways. My hon. friend cannot resist discussing railways and as usual his enthusiasm quite carries him away. My hon. friend has not made a very careful study of the history of railways in this dominion.

Mr. MANION: Yes, I have.

Mr. RALSTON: If he has, he concealed the fact very well to-day. I cannot take the time of the house or my own to go into the matter in detail, but let me make this statement—and my hon. friend can verify it for himself—first, that the party of my hon. friend supported the proposition for a second transcontinental railway in 1904 in the form or a resolution sponsored by their leader the Right Hon. Sir Robert Borden, who proposed an alternative transcontinental railway to the Grand Trunk Pacific which was proposed by the government of the day; second, that in 1912 the Conservative party, led by the Right Hon. Sir Robert L. Borden, in conjunction with the government of British Columbia, by making a vote of $6,000,000, put the last spike into the transcontinental nature of the Canadian Northern Railway. The Prime Minister, speaking in Montreal the other day, made a very good non-partisan speech except for one thing; he tried to leave the impression that it was due to the subsidy granted by British Columbia that the Canadian Northern Railway was made a transcontinental road in 1912.

Mr. BENNETT: So it was.

Mr. RALSTON: It was not due to the subsidy granted by the province of British Columbia any more than it was due to the government of which my right hon. friend was a supporter at that time, which provided the money for the extension of that road from Edmonton through the Yellowhead pass, and the province of British Columbia carried it the rest of the way to Vancouver.

Mr. BENNETT: I must rise again to a question of privilege. I do not want to interrupt the hon. gentleman, but he must know that the contract between the Canadian Northern British Columbia and the province of British Columbia was to build that railway under guarantee of bonds. All that was done by this government was to give a subsidy in aid, and the road was partly built when that subsidy was given.

Mr. RALSTON: That is what I am saying. I say my right hon. friend's party supported the making of the Canadian Northern a third transcontinental railway. And I am not sure that my right hon. friend did not support it too. At any rate my right hon. friend had no objection to it then. Reading the debates at that time I find that he frequently interrupted to give informative explanations—I say that with all seriousness—particularly with regard to the law in the matter. The Liberals pointed out that we had no business paying money to a road the rates on which were controlled not by the Board of Railway Commissioners but by the province of British Columbia. In the speech of my right hon. friend the other day he referred to Sir Wilfrid Laurier as having committed a grave error in connection with the matter of railway policy. He said:

Every morning as I go to my work I pass the statue of Sir Wilfrid Laurier, and I pay tribute to the fact that his disinterested patriotism was known to all men; he desired to do what was best for Canada. But the fact is that he did not foresee, when he and his government pledged their support to the construction of two transcontinentals in addition to the one we then had, that this meant certain and sure insolvency to the roads themselves.

As I have pointed out the Conservative party were equally strong in support of the two additional transcontinental lines. Let us compare that statement made by my right hon. friend in 1934 with a statement made by him in this house in 1912 at page 11776 of Hansard, with regard to the necessity and desirability of a third transcontinental road. I find here that the Hon. Frank Oliver was speaking. He said:

The Canadian Northern railway, in that part of its line which lies between Winnipeg and Edmonton was a pioneer enterprise, but that part of its line from Edmonton to the Pacific coast, and that part of its line proposed by this resolution to be aided from Port Arthur to Ottawa is not a pioneer enterprise to anything like the degree that either the Canadian Pacific railway or the Grand Trunk Pacific was.

The hon. gentleman who answered him was Mr. Bennett, and this is the answer:

Mr. Bennett: Do not we require a third transcontinental line—

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Go on and finish it.

Mr. RALSTON:

—as a spout for western grain? And hence is not the construction of the road from Fort William to the seaboard absolutely essential if the value of the other lines is to be maintained?

[Mr. Bennett.]

Mr. BENNETT: That is so.

Mr. RALSTON: This is the gentleman who salutes the statute of Sir Wilfrid Laurier, but feels that he committed his country to a policy of certain and sure insolvency of the roads themselves.

Mr. BENNETT: Hear, hear.

Mr. RALSTON: My right hon. friend was in a quite different frame of mind in 1912 regarding the desirability of a third transcontinental railway. Hon. gentlemen know the history of that road after the act was passed in 1912 and the assistance given by the Conservative government whereby the road was extended to Vancouver—$45,000,000 guaranteed in 1914 and the transcontinental nature of the Canadian Northern recognized. Then the Drayton-Acworth report came, and in 1917 the Dominion of Canada paid $10,000,000 for worthless stock of the Canadian Northern under my hon. friends opposite. That ought to be enough as far as the three transcontinental roads were concerned. My friends were for a second road in 1904, they completed the third road in 1912 and then bought it in 1917.

Mr. BENNETT: As a matter of privilege I will have to correct the hon. gentleman again. In 1917 it was the Union government.

Mr. RALSTON: I leave the country to make the distinction. It sounded to me as if the Minister of Railways was sending out another wail and appeal for Union government in the concluding part of his remarks. Be sure of this, that when my hon. friends ask for cooperation, whenever they want help, it is a sure sign that they are in pretty sore straits. No party has been more independent than that of my friends opposite. They have had a majority of about forty in this house, they have had the whole treasury of Canada at their backs the last three years, they have had for a good portion of the time all the powers of parliament, but now in 1934 they call on the Liberals, whom they have despised up to date, to cooperate because they are getting in a bad hole.

Mr. MANION: Call on them to play the part of Canadians.

Mr. LAPOINTE: Red-blooded!

Mr. RALSTON: Now let us take another step in regard to railways. So far ownership; now regarding amalgamation of the roads making up the present Canadian National system. My hon. friend talks about this great conglomeration of roads which was

foisted on them and which caused such a serious increase in the debt and such heavy inroads on the expenditure of Canada. I have not time to go into details further than this, that my hon. friends—I will say the "Union" government in deference to my right hon. friend—put Mr. Hanna in charge of the Canadian Northern and the Canadian government railways in 1917, including the Intercolonial; they put Sir Joseph Flavelle in charge of the Grand Trunk Pacific and the Grand Trunk soon after, and they ran these two disjointed roads under an advisory committee headed by Mr. Kelley. They passed the Canadian National Railway Act in 1919 but did not have the courage to declare that act; the succeeding government found it on the statute book in 1922—

Mr. CHAPLIN: That is not correct.

Mr. RALSTON: —and the government found that system of roads, as Sir Henry Thornton said, like an orchestra out of tune—

Mr. BENNETT: On a question of privilege again, the order in council was passed after the decision of the privy council in the Grand Trunk case, and recites that fact.

Mr. LAPOINTE: Is this a debating society?

Mr. BENNETT: No, but misstatements cannot be allowed to pass.

Mr. RALSTON: On what question of privilege my right hon. friend is rising, I do not know I am sure.

Mr. BENNETT: The question as to a misstatement of fact. It is always competent to correct a misstatement of fact.

Mr. RALSTON: My right hon. friend knows the rules of the house, and knows that there are plenty of hon. gentlemen on that side who are quite capable of dealing with the facts. What I say is that although the Canadian National Railways Act was passed in 1919, the then government did not declare the act but ran this bundle of roads in a disjointed fashion until 1922, when under the King government Sir Henry Thornton was put in charge. My right hon. friend seems to think that all the expenditure was incurred under the Liberal administration. Does he forget that they themselves assumed an indebtedness of $1,700,000,000, on account of these roads? Let him compare that sum with the $461,000,000 which he says was spent under Liberal administration. Let me tell him now what happened with regard to the administration of these roads under governments of which he was a supporter and under Liberal governments. First take the amount earned by this system of roads and available for all interest; from 1919 to 1921 there was nothing whatever available, but there was an average deficit of $22,000,000 yearly. From 1922 to 1930 there was an average surplus of $24,000,000 per annum. For 1931 there was a deficit again of $5,000,000; I have not the figures for 1932. Secondly, I make the same comparison, after paying interest to the public: from 1919 to 1921 the annual deficit was $53,000,000. From 1922 to 1930 the annual deficit was only $15,000,000, whereas, as I say, in the regime of my hon. friends opposite, in the three years they had it before 1921, the deficit had been $53,000,000, and in 1931 the deficit was $60,000,000. To sum up, the total deficit in the management of this system of roads called the Canadian National, from 1919 to 1931, was $351,000,000. In the nine years from 1922 to 1930, years of Liberal rule, the total deficit was $132,000,000, while for the four years of Conservative rule from 1919 to 1921, and for 1931, there was a deficit of $219,000,000.

Let me read from that oft-quoted speech of the Minister of Justice in which he told us what a wonderful road this is. On March 7, 1929, speaking on this question, he said:

> Let me say, in concluding my remarks on this phase of the subject, that the National railway system in this country constitutes a lasting monument to the ability and statesmanship and determination of a single man, a member of a former Conservative government, and subsequently Prime Minister of that government. It is to his ability and foresight, to his statesmanship and determination that the people of Canada are indebted for this wonderful system of National railways.

That is the situation, Mr. Speaker, with regard to the railways, I hope my hon. friend the Minister of Railways will just curb himself in future and deal with the facts when he comes to consider who is responsible for the railway situation in this country.

Mr. MANION: To keep the record straight, would the hon. gentleman just add that his government increased the interest charges by $20,000,000 annually?

Mr. RALSTON: Certainly I will, but I say that is a mere bagatelle compared to the seventeen hundred million of my hon friends.

Mr. MANION: The seventeen hundred million takes in the intercolonial and all the old railways.

Mr. RALSTON: Now my hon. friend is beginning to find out that a number of old roads were included. He is anxious to get out from under.

Mr. CHAPLIN: Would the hon. member permit—

Mr. RALSTON: If my hon. friend will pardon me, I really have not time. This railway story has been told very often, and my hon. friend does not stick any too closely to what are the real facts in connection with the case.

I should like to deal with another matter mentioned by the Prime Minister and also by the Minister of Railways; that is, these figures with regard to the improvement in conditions since the spring of 1933. Heaven knows no one is suggesting that there is not an improvement in conditions since the spring of 1933.

Mr. MANION: Yes, your leader did.

Mr. RALSTON: I beg my hon. friend's pardon; my right hon. leader suggested that it was not necessarily evidence of permanent improvement, as stated in the speech from the throne. My hon. friend did not get that. Everyone knows there has been improvement since the spring of 1933. You must improve; you must go higher after you get into the subcellar, and that was where we were, absolutely down to rock bottom. We have improved, and I hope sincerely that we may keep on improving. But what my hon. friends have not told us yet is what they have done to bring about that improvement. That is the real question. They have done everything possible to cripple trade and increase the taxes in this country. They speak about the Ottawa agreements, and I am going to deal with those in a moment, but I have not seen any trade arrangement made by this government which has perceptibly accelerated the normal increase of trade which has taken place in all the countries of the world.

My hon. friend the Minister of Railways spoke of wholesale prices. Well, in wholesale prices I think he will find very little comfort, because the United States is considerably ahead of us in regard to increases in wholesale prices. But my hon. friend just tosses that to one side and says, "We have increased wholesale prices." Of course we have; let us take what comfort we can out of it, but there is not much credit to the government in that fact. My right hon. friend the Prime Minister put on Hansard the increase in steel production since the beginning of 1933, but the percentage of increase in the United States was far greater, and that jumble of figures which he put on Hansard and which appears at pages 75 to 79 fails to show anything which any reasonable man could say was done by the present government to assist in producing any increase.

Then my right hon. friend spoke about the increase in Canadian exports to Great Britain since the spring of this year. We are glad there is an increase, but does my right hon. friend realize that the pound, which was $3.84 last January, had risen to $5.09 in December, and that the buying power of the pound in the Canadian market was increased accordingly? Naturally under those circumstances the British people would buy more from the Canadian market. Does my right hon. friend realize that conditions have improved in Great Britain, which surely ought to have something to do with the increase in exports by the Dominion of Canada to the old country? That was not mentioned at all. On reading the Prime Minister's speech one would think that the sole cause of this increase was the Ottawa agreements fostered by himself and his government.

Then my hon. friend the Minister of Railways said that imports from the United States had decreased perceptibly. That is quite so, but is that a matter for comfort? Is that a matter for congratulation? Generally speaking our imports from the United States are producers' goods and producers' equipment, goods which we use in manufacturing, and if our imports go down it means that our industrial activity has been curtailed by just that much. If my hon. friend will look at the trade returns for 1932 he will find that 65 per cent of all our imports from the United States were producers' goods and producers' equipment, or in other words things we needed to work with or work on. In those things our imports have gone down considerably, but I do not regard it as a matter for congratulation at all; it seems to me that decreased imports of raw material and of equipment simply mean that our national activities have declined. If we do not import that material it means that our producing industries have slackened accordingly.

My hon. friend quoted some comparative figures, and then he went on to say that we must not run down our country. I wonder if he has read the speeches delivered by his right hon. leader from one end of the country to the other during the summer of 1930: for instance "The cries of women and little children calling to us to ease their pain." That is just one sample; they will be found in Hansard. At the risk of incurring my hon. friend's displeasure, but in order to place the facts on record so that we may not try to fool ourselves about this situation, I should like to quote a few comparative figures also. The Prime Minister said we had improved

more than any other country in the world; at least that was the gist of his remarks. I have made a comparison of increases in the trade of Canada as compared with increases in trade in the United Kingdom as between 1932 and 1933, converting sterling into Canadian dollars at current monthly rates of exchange. They are as follows:

	Percentage increase of imports 1933 over 1932		Percentage increase of domestic exports 1933 over 1932	
	Canada	United Kingdom	Canada	United Kingdom
April	−31.3	− 3.1	−25.7	−23.
May	−25.8	+10.6	+12.6	+10.2
June	−17.5	+ 1.8	+12.5	+ 5.1
July	+ 0.1	+25.2	+21.3	+23.3
August	+ 6.1	+28.2	+ 8.3	+30.7
September	+12.2	+34.	+37.	+54.5
October	+10.7	+30.7	+ 6.3	+44.2
November	+15.7	+40.	+31.4	+49.7
December	+22.1	+40.1	+19.5	+26.2

Those increases in the United Kingdom are rather surprising, because we must remember that the United Kingdom got into her stride before Canada did, and therefore she was up the scale a considerable degree when these increases of 1933 came to be recorded. In spite of that, however, she made greater increases than Canada made both in imports and exports, taking them by and large, except with regard to exports for the first two or three months.

Then, Mr. Speaker, the Minister of Railways tried to find some constructive act of statesmanship on the part of this government, and he trotted out a letter from a trade union, an "unsolicited testimonial" you might call it, to the work done by the Prime Minister. I noticed that the Prime Minister rather modestly hung his head; I do not believe he knew that his colleague was going to read that letter.

Mr. SPEAKER: The hon. gentleman has spoken for more than forty minutes.

Mr. RALSTON: If I might have the indulgence of the house for four minutes I believe I could finish my remarks.

Mr. LAPOINTE: The hon. member was interrupted for at least that time.

Mr. RALSTON: That was the outstanding thing to which the Minister of Railways called attention as the headliner in government activities. On this side, while we do not boast about it or read letters about it, we at least can remind the house that the right hon. leader of the opposition was deputy minister of labour for some years and I am sure that the sheaf of letters which he would have in his possession and which, if he were in that frame of mind, could be produced, indicating the services which he rendered from time to time in settling labour difficulties, would rather put in the shade this one letter over which the minister has made so much fuss.

Mr. DUFF: What about services during the war?

Mr. RALSTON: I do deprecate the insinuation by the Minister of Railways concerning the action of my right hon. leader during the war.

Mr. DUFF: It was rotten.

Mr. RALSTON: It was unworthy of him or of any other hon. member in this house.

Mr. DUFF: It was rotten.

Mr. RALSTON: I wish to say only this, that the Minister of Railways—and I wish he were in his seat—might have attended a ceremony in which the Canadian Legion presented my right hon. leader with a life membership in recognition of his services and interest in the welfare of ex-service men and their dependents. That subject should not have been brought up in debate in this house and I do not think hon. members opposite, generally speaking, have any more approval of it than I have.

Mr. LAPOINTE: It is dirty fighting.

Mr. HANBURY: But it is typical.

Mr. RALSTON: I suggest that what my right hon. friend opposite really does as he goes to bed at night—and I hope he will not accuse me of being blasphemous—is to fall on his knees and thank God for Roosevelt, thank God for Great Britain and thank God for a situation around us whereby our condition is being stabilized, and improved notwithstanding the inaction of this government. All they do is to tell us to tighten our belts, to remember the traditions of our forefathers, to have patience; and may I add that the people of Canada are getting mighty tired of it. This government has done its best to discourage industry, so far as primary producers are concerned. For example, let us consider the fishermen. The duties on

gasoline, on oiled clothing, on rubber boots, on food, and on many other commodities have been increased, and there is the tax on sugar. Everything has been made more expensive, but the fishermen has to sell in an unprotected market and at the same time has to beg this government for a little relief —not a big amount—a little relief, in the way of small public works and facilities in order that he may be able to pursue his calling in comparative—and only comparative—safety. Imagine a fisherman out on the Atlantic in this winter weather following his vocation in order to make new wealth for Canada and paying increased taxes on the things he uses and at the same time getting little consideration from this government when he asks for comparatively insignificant assistance which would help him in connection with his work.

I say to you this, Mr. Speaker,—and this is my last word—notwithstanding the fact that my right hon. friend's promises have been unfulfilled, notwithstanding the increase in taxation, notwithstanding the tremendous increase in debt, notwithstanding the broken pledges regarding employment, notwithstanding the barriers which have been placed in the way of trade, notwithstanding the handicaps under which this government has placed this dominion, Canada is coming through, and we all are profoundly thankful for it, but I say it is not because of, but in spite of the administration of the present government.

My hon. friend the Minister of Railways has pictured the ship of state. The ship of state is manned by a crew scared to do anything; they are so fearful that they will not even touch the sails. They say, "Be cautious, be careful." They are even afraid to stand by the wheel and steer a definite course. They cannot even make up their minds to avail themselves of the auxiliary power. Canadians, the passengers, say to them, "For heaven's sake do something and get us out of the storm." This crew's only reply is, "Be patient, the storm is passing." But suddenly the captain has a bright idea; he says, "There is something we can do; there is a bronze tablet on the companion way with the names of the great and the illustrious on it. Let us polish up the bronze tablet." That is the best he can do in the way of seamanship. What I mean is that the right hon. gentleman does not attempt to tackle and solve the pressing problems for the welfare of the Canadian people but busies himself instead with the matter of titles.

I submit that this government has done at least one thing: it has proved Canada's inherent soundness, because a country which can weather the conditions of the past three or four years with a government like the one sitting opposite to manage its affairs need have no fear for the future.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 9, to incorporate The Bishop of the Arctic.—Mr. Geary.

Bill No. 10, respecting a certain patent owned by The Firth-Brearley Stainless Steel Syndicate Limited.—Mr. Kennedy (Winnipeg South Centre).

Bill No. 12, respecting patents on certain inventions of which Duplate Safety Glass Company of Canada, Limited, is entitled to the benefit.—Mr. Lawson.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Mackenzie King.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to associate myself with previous speakers in this debate in extending my very sincere congratulations to the mover (Mr. Gobeil) and the seconder (Mr. Barber) of the address. Unfortunately at the commencement of all our sessions the leaders of all parties in the house find it necessary to pay tribute to those who have passed the great divide since the house prorogued. May I in a very humble way this evening be permitted, sir, in this house to try to express the great loss which the Dominion of Canada has sustained since last we parted on account of the death of that great and distinguished Canadian, Sir Arthur Currie. I think, sir, that I am voicing the sentiments of every hon. member on the floor of this house when I say, without at all presuming to add to the marvelous tributes that have been paid to his memory, that he was great in war, great in peace, and great indeed in the heart of his country. May I also be permitted to place upon Hansard a quotation from one of his recent speeches, because it deals with a subject which I intend to present to the house this evening, and which has already been

referred to by two of the speakers this afternoon:

> Our hope in war was to salvage the old moral values of civilization. Our hope in peace when we came home was to use our influence and strength for the placing of our country on a little higher plane.
>
> Our determination was to see that our broken comrades—the shattered wreckage of the war—and the dependents of our dead comrades should never want nor suffer need. Our intention was to prove to our country that grief and hate were not the only results of the courage and the death of ten million men but that mutual help and service and sacrifice were still alive in our country.

I desire, Mr. Speaker, to use those words by way of a preliminary towards the consideration of a discussion in regard to pensions, but before I pass along, may I refer by the way with the utmost commendation to the appointment made yesterday, I understand by the government of the new Sergeant-at-Arms of this house. I think that appointment reflects great credit upon this administration, that it is one of the finest appointments they have made during the last four years, and I commend that appointment very heartily.

My honourable, temperamental and rodomontade friend the Minister of Railways (Mr. Manion), speaking in the house this afternoon, had the supreme, the sublime yet customary effrontery to say that I had suggested the injection of the pensions question into the arena of party politics. I think, Mr. Speaker, that my hon. friend has forgotten my attitude in this house during the last three and a half years. He surely must have forgotten my attitude on this question last year in this house. If he had only consulted his own colleagues in the administration I am sure he would have been told that when the pensions question was before this house last year I assisted the hon. Minister of Pensions (Mr. MacLaren) in piloting that legislation through this house in a non-partisan way when there was some criticism coming from my own side of the house. So I want to tell my hon. friend the Minister of Railways that I resent and I repudiate the suggestion that he made. In my experience in this house in the last three and a half years he is the only one, Mr. Speaker, that has ever suggested or insinuated that any hon. member of this house had ever endeavoured to bring the question of pensions into the arena of party politics.

Mr. MANION: I quoted the hon. gentleman's speech in Fort William, not in this house.

Mr. MACKENZIE (Vancouver): All that I said at Fort William I am going to repeat on the floor of this house to-night—every single word—and if my hon. friend will not agree with my conclusions when I am through, then I shall be glad to withdraw anything that I said at Fort William or here to-night.

May I be permitted the indulgence of the house very briefly indeed to traverse the history of pensions legislation in this dominion?

In the first place, after the armistice we had the appointment of the Board of Pension Commissioners, with their exclusive jurisdiction, with no right of appeal to any body existing, with the statutory appointment of the commissioners for ten years, and with ministers of the crown having no authority whatsoever over the board, and with the right of decision retained by the commissioners sitting here in Ottawa. We recall the widespread dissatisfaction that existed in the dominion. We had parliamentary committee after parliamentary committee appointed from the floor of this house, and eventually we had that royal commission presided over by my distinguished and able colleague the hon. member for Shelburne-Yarmouth (Mr. Ralston) which considered the whole question in the year 1922. As a result of their recommendations, in the first place, that some form of appeal tribunal should be set up, in the second place that an opportunity should be provided for the appearance of the applicant before the body making the final decision, we had set up in 1923 the federal appeal board.

We had further dissatisfaction existing throughout the dominion, coming down to the appointment of the special committee appointed by this house in 1929-30 and presided over by my hon. friend the member for Quebec South (Mr. Power). As a result of the recommendations of the latter committee we had established in this country the pension tribunals system, numbering twelve, with wide powers of jurisdiction, with an extensive pensions advocate system being set up, with commission counsel appointed to represent the state, with automatic reference to the pension tribunals of many cases, and the establishment of a final court, the pension appeal court. It transpired after these courts commenced to function that about fifty per cent of the applications heard by the tribunals were being allowed, that these favourable decisions were being appealed in wholesale fashion to the appeal court by the Board of Pension Commissioners, and that the great majority of the appeals entered by the Board of Pension Commissioners were being allowed by the pension appeal court. So then we had

the appointment of the Audette committee, formerly the Rinfret committee, which reported to the administration last year, with three separate reports made to the minister, and presented by the minister to this House of Commons. As a result of these reports the Minister of Pensions introduced in this house last year Bill No. 78, under which new machinery was going to be set up. At my suggestion a special select committee of the house was formed to consider the subject. On that committee were several members on the government side of the house, some on this side and some from the far corner to my left. After a good deal of hard work and careful deliberation the committee presented its report to the house. May I quote very briefly what was said on that occasion by three of its spokesmen. The hon. member for Parry Sound (Mr. Arthurs) said:

> In conclusion, I think I voice the opinion of every member of the committee in saying that the work was done by your committee most earnestly and with no desire except to serve the interests of the public and at the same time the interests of the returned men.

Personally, these were the views I expressed:

> I wish to make one observation, that we have adopted in the first place the principle of merger between the Board of Pension Commissioners—

And this is the part I wish to emphasize:

> —and the tribunals. . . . We have endeavoured to ensure that the personnel of the tribunals and of the Board of Pension Commissioners shall have equal chances in the discretion of the governor in council, and also that the clerks and under-staff shall be in the same category, so that the objections which we have all been receiving from our various ridings have been as far as possible met by your committee.

The hon. member for Red Deer (Mr. Speakman), speaking in the same debate, in order to make the representation complete said:

> I hope they will also keep in mind, as they undoubtedly will, the personnel of the pension tribunals. Apparently these men have achieved a unique success, something rarely accomplished. They reviewed many cases, some of which they accepted and some of which they refused, but I have heard only of a few cases of dissatisfaction in connection with unsuccessful applicants whose cases were heard by these tribunals.

Now let me say here that an agreement was reached by the members of the committee last year—and I am in the judgment of hon. gentlemen who are supporting the government—that equal representation would be given the personnel of the pension tribunals in the formation of the new Board of Pension Commissioners. That pledge was given the committee; otherwise there would not have been a unanimous report.

Mr. BENNETT: It was not communicated to the government.

Mr. MACKENZIE (Vancouver): That is probably where the fault lies; but I state on my honour, and I am within the judgment of the members who served on the committee, that such an understanding was reached, because otherwise there would not have been a unanimous report. My hon. friend from Ottawa can back me up and substantiate every word I say. That legislation would not have been submitted to the house by a unanimous vote of the committee had there not been such an understanding, and I so stated when I supported the hon. member for Parry Sound and the Minister of Pensions in piloting the legislation through the House of Commons. The only thing that I said in Fort William was that someone broke faith with the committee of last year, and I repeat it on the floor of the House of Commons. What happened? This measure was proclaimed on the 1st day of October. Look at the personnel of the new commission—and I am not criticizing them individually; I mention them merely to show that someone broke faith with that committee which comprised members from all parts of the house, members supporting the government, my friends to the left of me and members representing his majesty's loyal opposition.

Mr. MacLAREN: The chairman of the committee informs me quite differently.

Mr. MACKENZIE (Vancouver): I am within the judgment of the members of the committee.

Mr. GEARY: The hon. member's recollection is entirely different from mine, and I was on the committee. How could that committee make any arrangement about who should be appointed? I want to tell the hon. member that my recollection is entirely at variance with his.

Mr. MACKENZIE (Vancouver): Nevertheless I am in the judgment of those who were present at the committee hearings representing all the ex-service associations of the dominion, and whose considered conclusion was that that bargain would be kept, that pledge honoured. In the formation of the new board, the personnel of the old Board of Pension Commissioners has been retained, with the chief medical adviser, with one of the old commission counsel, with one of the

medical advisers from the Montreal unit, with a gentleman from Toronto whom I do not know but who was not with the old organization; while the only one appointed from the pension tribunal, as recommended by us on this side, who endeavoured to bring about a non-partisan conclusion, was Sir Richard Turner. All the rest, with the exception of that gentleman from Toronto, were identified with the old Board of Pension Commissioners before this new legislation was passed.

I wish now to discuss for a moment a matter referred to this afternoon by the hon. member for Shelburne-Yarmouth. Last year this question came up before the same committee, and we put a special section in Bill 78 to provide that where any pensioner's entitlement was in question he should be given ample notice of hearing. I understand that the act was not proclaimed until the first day of October, with the result that practically all the work of reviewing, as I am informed, was completed under the old machinery before the precautionary section which we inserted came into force. I am not blaming the administration in this regard, but to-day there is widespread feeling throughout the community, and that is all I said in the city of Fort William.

Mr. MANION: I do not wish to do the hon. gentleman any injustice; I quoted the paper in which he was reported as having accused us of a gross breach of faith.

Mr. MACKENZIE (Vancouver): I still say that there was a breach of faith in regard to the promise given that committee last year.

Mr. BENNETT: No such pledge was given that I had knowledge of, nor bargain, and the members of the committee deny it.

Mr. MACKENZIE (Vancouver): I can only say to the Prime Minister as frankly as possible that it was my understanding, and I am sure it was the understanding of the member for Ottawa; it was the understanding of every single one representing ex-service associations present before the committee..

Mr. MacLAREN: I have come in very close contact with the situation and I can say that there was no understanding, so far as I know. To the best of my knowledge there was no understanding in regard to the appointments.

Mr. MACKENZIE (Vancouver): I am glad to accept the minister's assurance, but I repeat it was the understanding arrived at by the committee. I so stated myself in discussing the bill before the house, and it was certainly understood by all those present in the committee; and from that position I refuse to recede one iota. Now, in regard to the cases referred to this afternoon by my hon. friend, my understanding is that a very serious situation is developing throughout the dominion so far as dependents of soldiers are concerned. My information is that some thousands of marriage cases have been already reviewed, and in about six hundred, as the result of some irregularity of procedure discovered, very drastic action has been taken. I am informed that there are twenty thousand investigations pending along this line, and in this connection I would make a constructive suggestion. I do not believe for one moment that the review of these cases should be left to Colonel John Thompson, the chairman of the board. I have more faith in the Minister of Pensions and more faith in the president of the appeal court than I have in Colonel John Thompson, and I suggest to the minister, inasmuch as this is a very live question throughout the dominion, that he himself, the president of the appeal court and the chairman of the commission, review all these cases and if there is fraud institute prosecution; if not, then the pensions should be reinstated on a meritorious basis if no other way is possible. I make that suggestion in absolute good faith.

I have from Winnipeg a case of which the minister may know where in 1933, twenty-seven years after the wife had disappeared, an order of the court was obtained from the chief justice of Manitoba, presuming the death of the first wife. It is this sort of thing done by the pension commission that defies a reasonable presumption of justice on their part. This man with an 80 per cent disability from overseas service and with his leg off, receives sixty-one cents a month and $4.60 for clothing allowance, as a result of his pension being absolutely obliterated by officials of the commission who are over-riding the concrete conclusions of the chief justice of Manitoba.

I agree entirely with the Minister of Railways when he suggests that on these questions of pensions there should be cooperation. There always has been by all parties in the house. That is why I felt that last year the understanding arrived at was not lived up to and that under false pretences we agreed to the principle of the legislation on the understanding that equal consideration should be accorded the pensions tribunals as would be shown the Board of Pension Commissioners. If there is a conflict of opinion between my hon. friends opposite and myself in regard to what happened there, I can only regret it but my recollection is very definite. Parliament has always put humanity before ruthlessness in the administration of our pension system

and has dealt with the question regardless of any partisan consideration. I am sure the genius of parliament can still rise above the ruthless administration of any commission and see to it that we combine and cooperate as between the great interests of the ex-service men and their dependents and the interests of Canada as a whole.

Mr. BENNETT: Might I say to the hon. gentleman that the government has already determined, as I indicated in part this afternoon, that in all those cases where men's pensions were taken from them without notice, they should be restored. That has been decided. The method by which it is to be done, whether by legislation or otherwise, is a matter on which I ventured to ask the hon. member for Shelburne-Yarmouth (Mr. Ralston) about to-day. I believe under the provisions of the Relief Act we may be able to accomplish it. It is proposed to be done if it can.

Mr. MACKENZIE (Vancouver): I certainly thank the Prime Minister for that statement. I am sure that ex-service men throughout the dominion will greatly appreciate it. As I said at Fort William, so I say here, that I believe one man is responsible for most of the grief and pain we have had as regards the situation in Canada.

May I now pass on to a consideration of the resolution before the house, moved by the hon. member for Compton (Mr. Gobeil) and seconded by the hon. member for Fraser Valley (Mr. Barber)? We have had an amendment moved by my right hon. leader (Mr. Mackenzie King) and seconded by the hon. member for Quebec East (Mr. Lapointe). If I am not out of order, we had for a few inglorious days a subamendment moved by those glorious gentlemen in the corner, for a vote of no confidence in His Majesty's loyal opposition. I want immediately to place myself on record by saying that it was the most vexatious, facetious and stupid thing ever done in the Canadian House of Commons. When I saw my hon. friend the sardonic member for Acadia (Mr. Gardiner), seconded by the greybearded, ascetic member for Winnipeg North Centre (Mr. Woodsworth) suggesting no confidence in His Majesty's loyal opposition, I wondered whether this was the crowd that ever aspired to share in the government of the Dominion of Canada.

Mr. HANSON (York-Sunbury): The hon. member can slap them all he likes.

Mr. MACKENZIE (Vancouver): They are the foster children of my hon. friend's party. Nothing has conduced more to the establishment of the autocracy of a class dictatorship in the last four years than the autocracy of the Tory government which we have had since 1930. I said before that I was surprised at the Prime Minister, especially in view of his attitude in the house, in tolerating for one second, a vote of no confidence in his ministry hanging over the head of the administration while they discussed other business. I desire in the most restrained way possible —and it is difficult to be restrained when one discusses this administration characterized as it has been by such superlative ineptitude for the last few years—to say that the government is without question now doddering to its doom all over the country.

Even the buoyant, flamboyant Irish Minister of Railways (Mr. Manion) cannot save them. They can appoint a committee to investigate price spreads; they can establish a central bank and make a wheat agreement which has not the support of the Canadian west; they can have a silver agreement which is so weak, they do not know how to deal with it; they can introduce marketing legislation for which the west is hungry and of which no announcement has yet been made, and they can have a moderate program of public works, but nothing at all will save them from the wrath to come. They have lost the confidence of the people. Why not? Take them by their record. What is the greatest problem before us to-day? It is the widespread, terrible question of unemployment. Let us look at the record of the administration. The house will remember the promises made by the right hon. gentleman in 1930 when he went to Regina, Calgary, Edmonton and Victoria and said: "There is no excuse for unemployment in Canada if a government does its duty; Mr. King promises you conferences; I promise you work, work for all who are able and willing to work; I will never support with my voice and vote a system of the dole." Yet we have had the dole in this dominion for the last two years.

What happened in the special session of 1930? A sum amounting to $20,000,000 was voted for the relief of unemployment, and tariffs were raised on some two hundred items against our fellow nations in the empire. This opposition asked four things: we asked the government to follow the proper procedure and bring in a supply bill; we asked that the House of Commons should retain control over expenditure; we asked for a thorough and complete audit by the Auditor General of Canada, and we asked for the appointment of a national relief commission.

Then came 1931 and another bill was introduced dealing with relief of unemployment, then with farm relief. Finally that gem came in that is well known throughout Canadian history—the vicious, pernicious and wicked phraseology "Peace, order and good government." The government had been functioning by instinct; all their acts have been performed from that day to this under the guise, title and character of peace, order and good government. What was done in that session? Do hon. gentlemen recall that it was the last order of the month of July, of the whole session, when this unemployment bill was brought down, substituting the authority of the executive for that of parliament? What have they been doing under the guise of peace, order and good government? They have given guarantees to insurance companies; they have made advances to banks and to private corporations to the extent of millions of dollars; they have increased the strength of the armed forces of Canada without ever consulting the Canadian parliament; they have arranged for the prohibition of the export of gold and made an agreement with certain agents to stabilize the wheat market—gambling in futures! The Minister of Justice (Mr. Guthrie) knows something about the administration of the criminal code. How does he sit quiet at the council table when he knows that a man who engages in a lottery to the extent of a few dollars has to face a magistrate and be liable to a fine or a term in gaol? Here is the government of the Dominion of Canada engaged in comprehensive gambling for two or three years and no one says them nay. The Minister of Railways asked me this afternoon in regard to my statement in Fort William, in which I said $30,000,000 had been lost. May I ask him this question: How much has been lost; will he tell me now?

Mr. MANION: No, but my hon. friend cannot tell either whether there has been anything lost or something gained.

Mr. MACKENZIE (Vancouver): I must say my facilities for suppression cannot possibly equal those of my hon. friend. When he accuses me of giving improper information he may be right; my figure of $30,000,000 may be wrong. If so, will he take the house into his confidence now and tell us what is the exact situation, what is the extent of the loss or gain?

Mr. MANION: On what?

Mr. MACKENZIE (Vancouver): On the gamble of this administration in wheat futures in western Canada. Will he tell me now?

Mr. MANION: No, but I will tell my hon. friend that he had no right to make the statement he made.

Mr. MACKENZIE (Vancouver): Will my hon. friend correct me?

Mr. MANION: I did.

Mr. MACKENZIE (Vancouver): He did not and he will not. Then I will pass to another item, under peace, order and good government. This item is in the department of the Minister of Railways. Here we have the famous order in council No. 2719: 2,000,000 railway ties at a price not exceeding 65 cents each. No tenders were called for. I ventured to ask the details of this transaction, and the minister said: "No, no; this is secret; this affects the Canadian National Railways." All this secrecy and suppression in the name of peace, order and good government!

An hon. MEMBER: Bad government.

Mr. MACKENZIE (Vancouver): Then we come to 1933, the last session of parliament. The same policy is pursued—For unemployment nothing but the dole. On relief in February last 1,357,562; heads of families, 252,000, and I think about $140,000,000 expended by this administration on relief; the municipalities and provinces facing a condition of virtual bankruptcy. This is the record of this government in regard to Canada's biggest problem. In September, 1930, 117,000 unemployed; at the present time 500,000 to 600,000, after the expenditure of these vast sums.

Then take the question of our debt: in three years of their administration hon. gentlemen opposite have increased the national debt of Canada by over $455,000,000. Do they deserve the confidence of the Canadian people?

An hon. MEMBER: They have not got it.

Mr. MACKENZIE (Vancouver): Take our trade—down $1,717,000,000 in the space of three years. Yet the Minister of Railways thinks this government deserves the confidence of the Canadian people! My hon. friend mentioned France this afternoon; well, she did something the other day; she changed her prime minister, and I think it is time Canada did the same thing. Take the expenditures, mounting by $159,000,000 in the last few years. Our business men are enduring enormous taxation, customs and excise taxes which are much higher than they

were in the old days; business profits tax, income tax and sales taxes dwindling; customs receipts down from $156,000,000 in 1928 to $104,000,000 in 1932; excise from $57,000,000 to $48,000,000; income tax about the same; sales tax from $70,000,000 to $41,000,000.

Take the debt of Canada; what are they doing about it? The trouble is that the Prime Minister is deafened by the clamorous voices of conventional finance. His fetish has been sound money. I say to my friends that the first duty of any administration in Canada is to meet with courage and determination the challenge of our public debt. In my humble opinion no party can long survive in this dominion unless there is a recasting of the entire debt structure, both of the provinces and of the dominion. Last year a committee of the house held an investigation into the question of interest. But has anything been done in a big way? The government have been nibbling at it, but what has been done in a big way towards the reduction of interest rates in Canada in the last four years? The federal government since the close of the war has paid out $1,900,000,000 in interest alone—an exorbitant figure. There must be a recasting of this whole question, in my humble judgment, as was done in Australia, by a combination of voluntary and compulsory conversion. There must be a writing down of interest rates on public and private obligations all across the Dominion of Canada. That is the only way that we can meet the question of unemployment. We have had suggestions from our friends to the left in regard to shorter hours; I agree with them. We have had resolutions in regard to unemployment insurance; I agree with that. We have had various schemes to remedy unemployment, but in my judgment we can never cure the unemployment situation that prevails to-day until we solve two great problems, the problem of our trade and the problem of finance. In my humble judgment those two great questions are indissolubly intertwined. Some hon. members believe that the tariff affords a panacea for all our troubles. There are others, sitting to my left, who believe that monetary reform is the panacea for all our troubles. I agree with the remarks made by Lionel D. Edie in his great book on banking and credit, in which he says that the economic theories of the industrial equilibrists dovetail into those of the school of monetary reform. The trouble with Canada has been that both major parties have been deliberately directing their trade policies towards the empire—and I am not criticizing or complaining of that—but the financial policies of this dominion have been linked with the great republic to the south. Canada must wake up to the fact that financial policies and industrial policies cannot be kept separate. It is one of the important functions of governments in the future to recognize that these two must be linked up. A solution of our unemployment problem is impossible until we have arrived at the answer to these two great questions.

We have had discussed also the question of note issue and metallic coverage. Two years ago in this house I suggested action on this subject, and it is strange to find now so many reformers in the house, on both sides, who were not so keen on these ideas two years ago, but who are so ready to proclaim these theories to-day, when the government is facing defeat and disaster before the country. In regard to the note issue, the view of some of the best economists, including John Maynard Keynes and the English Macmillan committee, is that a metallic coverage is not necessary for internal currency. Even at the world economic conference they reduced the required metallic coverage from forty per cent to twenty-five per cent for external obligations. The Macmillan committee went further and assessed the scientific basis for a managed currency as one-fifth of the bank deposits. In Canada this would be one-fifth of $2,000,000,000, or $400,000,000, leaving the way open, in my judgment, for a safe addition to our present note issue of over $200,000,000. That is without considering at all the appreciation in value of our present gold reserve. So I say that instead of drifting idly and uselessly as this administration is doing, it should be facing these questions of our financial structure, our public debt, our interest obligations, and a comprehensive public works program.

In regard to that may I make this observation; I believe a public works program carried out by a government to be too expensive to justify itself. I should like to see a great scheme by the Prime Minister and the Minister of Public Works to co-operate with industry throughout Canada so that we will have the most effective results from whatever scheme of public works they intend to carry out.

My time is getting short. I had intended paying some floral tributes to my hon. friends on the left, these wild-eyed socialists who gave us such a very interesting time in the province of British Columbia. My hon. friend the member for Vancouver South (Mr. MacInnis) was boasting the other night because they are the official opposition there: My hon. friend the Minister of Trade and Commerce will remember as I do that we had socialists in opposition in British Columbia thirty years

ago, four of them; since they have increased from four to seven in thirty years I desire them all good luck in their progressive acceleration in future years. Possibly when the Woodsworth resolution comes before the house I shall be able to tell this House of Commons and the country what some of their spokesmen said in regard to the compulsory teaching of socialism in schools, and in regard to the dismissal of teachers who would not teach socialism in the schools of British Columbia.

The Liberal party, Mr. Speaker, will go to the country as a centre-forward party with a definite policy. I believe the people of Canada will reject the reactionary toryism which they have had for four years and also the wild radicalism of the socialists in the corner. We have a policy and we have a mandate. I want to tell my garrulous friend opposite that in the last eighteen months practically every province of Canada has spoken. Manitoba spoke very definitely in accents of victory in favour of Liberalism eighteen months ago. Then South Huron spoke in accents of victory about fifteen months ago. Last summer Nova Scotia spoke, also in accents of victory, and returned a Liberal government to power. On October 23 last we had three by-elections in which the policies of this administration were strongly condemned, and in which the policies of the would-be administration in the corner were repudiated. Then we had British Columbia, which to-day has a legislature consisting of 34 Liberals and 7 C.C.F. members, with the Tory party shattered to pieces. In addition to that we had a by-election in the city of Calgary the other day, at which the Liberal party was returned by a majority of something like 2,000 votes.

I say to my right hon. friend, the Prime Minister, who is getting so impatient now: let him take heed of what I have said. I say to my right hon. leader, and to all my colleagues around me: be of good cheer; Liberalism is on the march and the heather is on fire.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, from the remarks of the hon. gentleman who has just taken his seat (Mr. Mackenzie) I would gather that he is not quite satisfied with the present government. It rather dawned upon me that in some ways the government, and particularly the Prime Minister (Mr. Bennett), had not conducted the affairs of the country just to the liking of the hon. member. Though I followed him carefully I could not discern anything constructive or helpful either in his address or in that of the hon. member for Shelburne-Yarmouth (Mr. Ralston), which preceded his.

I must confess that I have been torn between two opinions, two tendencies: the one, that which quite naturally impels anyone sitting in a party government to reply to the attacks that are made by those opposite; and the other, the fact that I am conscious that this country is not tolerant of the time of parliament being expended in party vituperation and recrimination. I believe the country would prefer that the problems facing it should be discussed in a dispassionate manner. On the other hand, however, if we were to remain silent we should likely be reminded, as we were reminded by the hon. member for Melville (Mr. Motherwell) on one occasion, that, in the classical language of the hon. gentleman, we were a bunch of mummies. So, Mr. Speaker, if I fail to follow the hon. gentlemen in that vociferous vituperation which characterized their remarks this afternoon, and rather trust to facts to answer their arguments, perhaps the house may at least acquit me of any lack of seriousness or courage.

The hon. member who has just taken his seat spent a considerable portion of his time dealing with the problem of pensions. I shall not continue that discussion beyond saying this to my hon. friend: He made a statement which I think he ought not to have made quite in that form; he charged bad faith on the part of the government and members on this side of the house in regard to appointments to the pensions commission, and stated that a definite undertaking had been made in the committee to allocate the appointments on a fifty-fifty basis as between the board and the tribunals. The chairman of the committee later will have an opportunity of replying, but he advises me that there was no such understanding. Apparently my hon. friend became confused in what was said at the time; I will not say that he has intentionally done so in order to charge us with bad faith, but the fact is that there was no such understanding. I will leave the explanation of the details to the chairman of the committee.

I should like to deal with some facts, if I may put it that way, in connection with statements brought forward by hon. gentlemen opposite. The right hon. leader of the opposition (Mr. Mackenzie King), the hon. member for Quebec East (Mr. Lapointe), the

hon. member for Shelburne-Yarmouth (Mr. Ralston), the hon. member for Vancouver Centre (Mr. Mackenzie) and others have definitely charged that this government has done two things: first, closed the markets of the world, and, second, raised the rates of duty in this country to an inordinate degree. These two statements have been reiterated so frequently that perhaps it would be well to place upon Hansard some interesting facts in regard thereto.

The first statement was that the markets of the world have been closed. May I say to hon. members opposite that they have made this statement so often throughout the country that I believe a great many people actually believe it.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: My hon. friends confirm that statement now. Will they follow me while I recite just a few facts, and I would not be so unkind or unfair, or so untruthful, as to ascribe to the right hon. gentleman who is now the leader of the opposition and who was then the leader of the government the responsibility for the facts which I am about to place on Hansard. I hold in my hand certain statements which I will hand to Hansard for the convenience of the house and to which I shall refer hastily as I proceed.

The first statement refers to France, and shows the lowest rates of duty and highest subsequent rates between December 29, 1921, and August 7, 1930, when we came into office. It will be noted that this is the period during which my right hon. friend led the government of Canada, and let me repeat that in what I am about to say I do not ascribe to him any responsibility at all. But I ask him to do one thing; I ask him at least to extend the same courtesy to this government, because neither he and his government nor the Prime Minister of the day and his government can possibly control the countries of Europe in regard to the closing or opening of their markets.

Here are the facts. We find that in 1924 the duty on wheat entering France was eleven cents a bushel; that was when hon. gentlemen opposite were in office. When they left office in 1930 the duty was eighty-five cents a bushel. Was that market closed? In 1924 the duty on wheat flour was twenty-four cents a hundred, but in 1930 it had increased to $2.28 a hundred. Oats carried a duty of four cents a bushel; by 1930 this had become eighteen cents a bushel. The duty on barley was three cents a bushel; in 1930 it was eighteen cents. The duty on cheese was increased from forty-five cents a hundred in 1926 to $1.78 in 1930, and we find the same condition in regard to lard, fresh apples, zinc, lead, bronze powder, kraft wrapping paper and so on; in every case there was a substantial and in many cases a prohibitive increase in duty during the period my right hon. friend was in office. The complete list is as follows:

France

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest Rate		Highest Rate	
Wheat	11c. bush.	(Jan. 7, 1924)	85c. bush.	(May 20, 1930)
Wheat flour, 70% extraction and up	24c. cwt.	(Jan. 7, 1924)	$2.28 cwt.	(May 20, 1930)
Wheat flour, 60-70% extraction	28c. cwt.	(Jan. 7, 1924)	$2.85 cwt.	(May 20, 1930)
Wheat flour, below 60% extraction	34c. cwt.	(Jan. 7, 1924)	$3.29 cwt.	(May 20, 1930)
Oats	4c. bush.	(April 7, 1926)	18c. bush.	(July 19, 1930)
Barley	3c. bush.	(April 7, 1926)	18c. bush.	(July 19, 1930)
Cheese, ordinary	45c. cwt.	(April 7, 1926)	$1.78 cwt.	(Mar. 2, 1928)
Butter	40c. cwt.	(April 7, 1926)	$3.55 cwt.	(June 3, 1930)
Refined lard	60c. cwt.	(April 7, 1926)	$4.45 cwt.	(July 19, 1930)
Fresh apples in boxes, etc., up to 44 lbs.	5c. cwt.	(April 7, 1926)	27c. cwt.	(Mar. 2, 1928)
Fresh apples in other packages	5c. cwt.	(April 7, 1926)	14c. cwt.	(Mar. 2, 1928)
Zinc, crude	Free	(1921)	25c. cwt.	(Mar. 2, 1928)
Lead in pigs, non-argentiferous	13c. cwt.	(1921)	32c. cwt.	(May 17, 1922)
Bronze powder	$4 cwt.	(April 7, 1926)	$8.90 cwt.	(Sept. 6, 1927)
Kraft wrapping paper	60c. cwt.	(April 7, 1926)	$1.43 cwt.	(Sept. 6, 1927)
Reapers	48c. cwt.	(April 7, 1926)	$1.43 cwt.	(Sept. 6, 1927)
Mowing machines and combined reapers and binders, weighing 880 lbs. or more	48c. cwt.	(April 7, 1926)	$1.07 cwt.	(Sept. 6, 1927)
Mowing machines and combined reapers and binders, weighing less than 880 lbs.	48c. cwt.	(April 7, 1926)	$1.43 cwt.	(Sept. 6, 1927)
Harrows and cultivators weighing 880 lbs. or more	90c cwt.	(April 7, 1926)	$1.25 cwt.	(Sept. 6, 1927)
Harrows and cultivators weighing less than 880 lbs.	$1.14 cwt.	(April 6, 1926)	$1.25 cwt.	(Sept. 6, 1927)

We now turn to Germany.

Mr. CHAPLIN: Those goods were our principal exports.

Mr. STEVENS: Yes. Turning to Germany I find that while wheat was free in 1922, in April, 1930, it was 98 cents per bushel. We must realize that there was a duty of 98 cents per bushel. In 1922, there was no duty on wheat flour, while in April, 1930, there was a duty of $3.40 a hundredweight. Oats ranged from free to 44 cents per bushel; rolled oats from $1.08 per hundredweight to $3.40 per hundredweight; rye, from free to 91 cents per bushel; apples, packed, from $1.08 per hundredweight to $1.62; butter, from free to $5.50 per hundredweight; cattle, from free to $2.90 per hundredweight; lobsters, from 11 cents per pound to 87 cents per pound. Then there were great increases in the rates on canvas shoes with rubber soles, unvarnished rubber footwear and varnished rubber footwear. On raw aluminum blocks or bars the rate was raised from free to $2.75 per hundredweight. For full information I shall place the table on Hansard:

Germany

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest rate		Highest rate	
Wheat	Free	(May 1, 1922)	98c. bush.	(April 25, 1930)
Wheat flour	Free	(May 1, 1922)	$3.40 cwt.	(April 25, 1930)
Oats	Free	(May 1, 1922)	44c. bush.	(Mar. 27, 1930)
Rolled oats	$1.08 cwt.	(Sept. 1, 1925)	$3.40 cwt.	(April 25, 1930)
Rye	Free	(May 1, 1922)	91c. bush.	(May 26, 1930)
Apples, packed	$1.08 cwt.	(1921)	$1.62 cwt.	(Oct. 1, 1925)
Butter	Free	(May 1, 1922)	$5.50 cwt.	(July 15, 1929)
Honey	$4.30 cwt.	(1921)	$7.00 cwt.	(Dec. 31, 1929)
Cattle	Free	(May 1, 1922)	$2.90 cwt.	(Dec. 31, 1929)
Lobsters	11c. lb.	(1921)	87c. lb.	(Oct. 25, 1923)
Canvas shoes with rubber soles	$7.61 cwt.	(1921)	$15.22 cwt.	(May 1, 1922)
Rubber footwear, unvarnished	$7.61 cwt.	(1921)	$22.70 cwt.	(Oct. 25, 1923)
Rubber footwear, varnished	$10.80 cwt.	(1921)	$32.40 cwt.	(Oct. 25, 1923)
Raw aluminum blocks or bars	Free	(1921)	$2.75 cwt.	(Aug. 1, 1930)
Aluminum rods or sheets	$1.30 cwt.	(1921)	$4.00 cwt.	(Aug. 1, 1930)
Typewriters with calculating apparatus	$6.50 cwt.	(1921)	$32.40 cwt.	(Oct. 1, 1925)
Other typewriters	$6.50 cwt.	(1921)	$25.90 cwt.	(Oct. 1, 1925)
Mowing machines	43c. cwt.	(1921)	86c. cwt.	(Oct. 1, 1925)

These increases occurred during the time the right hon. gentleman opposite was leading the government of Canada.

I now turn to Italy and find from the figures that while in the year 1921 wheat was free, it increased in 1929 to 73½ cents per bushel; wheat flour, free to $2.08 per hundredweight; newsprint, free to 70 cents per hundredweight; tires and tubes, $9.65 to $13.15 per hundredweight; ham, free to $2.19 per hundredweight; bacon, free to $1.05 per hundredweight. The table will contain the complete information:

Italy

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest Rate		Highest Rate	
Wheat	Free	(1921)	73½c. bush.	(May 24, 1929)
Wheat flour	Free	(Oct. 28, 1924)	$2.08 cwt.	(June 5, 1930)
Newsprint	Free	(1921)	70c. cwt.	(Nov. 1, 1926)
Tires and tubes	$9.65 cwt.	(1921)	$13.15 cwt.	(Feb. 18, 1927)
Ham	Free	(June 12, 1923)	$2.19 cwt.	(April 20, 1927)
Bacon	Free	(June 12, 1923)	$1.05 cwt.	(April 20, 1927)
Lard	Free	(June 12, 1923)	70c. cwt.	(April 20, 1927)
Other smoked or salted meat	Free	(June 12, 1923)	$1.32 cwt.	(April 20, 1927)

The same increases are shown in the figures for Czechoslovakia and Belgium:

Czechoslovakia

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest rate	Highest rate
Wheat	Free (1921)	75c. per 100 lbs. (June 5, 1930)
Wheat flour	Free (1921)	$1.35 per 100 lbs. (June 5, 1930)
Rubber auto tires	$7.73 per 100 lbs.)1921)	$13.64 per 100 lbs. (Aug. 8, 1927)
Mechanical wood pulp	2·6c. per 100 lbs. (1921)	8·6c. per 100 lbs. (Jan. 1, 1922)
Chemical wood pulp	2·6c. per 100 lbs. (1921)	12·9c. per 100 lbs. (Jan. 1, 1922)

(Cwt. = 100 lbs.)

Belgium

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest Rate	Highest Rate
Cheese	81c. cwt. (1921)	97c. cwt. (June 26, 1926)
Evaporated milk	Free (1921)	40c. cwt. (June 7, 1926)
Condensed milk	$1.01 cwt. (1921)	$1.68 cwt. (June 7, 1926)
Rubber belting for machines	$3.05 cwt. (1921)	$3.36 cwt. (June 24, 1926)

Then, turning to Finland, we find that the rate increased on wheat flour from $1.03 in 1921 to $1.83 in 1925. On Aluminum cables it increased from 48 cents per hundredweight to $2.30 per hundredweight. The complete figures are shown in the table:

Finland

Lowest rate of duty with highest subsequent rate between December 29, 1921, and August 7, 1930

Article	Lowest Rate	Highest Rate
Wheat flour	$1.03 cwt. (1921)	$1.83 cwt. (Dec. 18, 1925)
Automobile tires	$1.73 cwt. (1921)	$2.75 cwt. (Dec. 30, 1924)
Aluminum cable	48c. cwt. (1921)	$2.30 cwt. (Dec. 13, 1924)

Turning to Japan, I find that while the rate on wheat in 1921 was 18 cents per bushel, in 1930 it had increased to 34 cents; on wheat flour it increased from 74 cents to $1.08; on oatmeal, from $2 to $3.57; on ham and bacon, from $6.50 to $7.30; on butter, from $10.84 to $12.69, and so on down the list:

Japan

Some Japanese tariff increases between 1921 and 1930

——	1921	August 1930
Wheat	18c. bushel	34c. bushel
Wheat flour	$0.74 cwt.	$1.08 cwt.
Oatmeal	$2.00 cwt.	$3.57 cwt.
Ham and bacon	$6.50 cwt.	$7.30 cwt.
Butter	$10.84 cwt.	$12.69 cwt.
Cheese	$8.23 cwt.	$14.70 cwt.
Condensed milk	$2.23 cwt.	$3.10 cwt.
Condensed milk, dried	$2.23 cwt.	$5.10 cwt.
Honey	$2.90 cwt.	$8.16 cwt.
Douglas fir lumber up to 2·36 inches thick	$3.80 M ft.	$5.30 M ft.
Douglas fir lumber 2·36–7·8 inches	Free	$4.55 M ft.
Fir lumber, over 7·8 inches	Free	2.45 M ft.

(Cwt.=equals 100 lbs.)

1921 conversions made at 53 cents per yen.

1930 conversions made at 49·8 cents per yen.

It will be seen the relation between 1921 and 1930 rates would be practically as shown above whether rates are quoted in dollars or Japanese yen.

Comparsion with 1933 rates is affected by the substantial depreciation of the yen. As specific rates in yen were increased 35 per cent in June, 1932, to offset some of this depreciation the comparison cannot be exact whether expressed in dollars or in yen.

[Mr. Stevens.]

So far as China is concerned we find a similar position. The rate on bacon and ham increased from $1.02 to $5.14 per hundredweight; butter, $1.54 to $5.88; condensed milk, 55 cents to $1.96; evaporated milk, 37 cents to $1.11 and so on down the list. All these items show considerable increases during the period the right hon. gentleman opposite was in power:

China

Some Chinese tariff increases between 1921 and 1930

—	1921	August 1930
Bacon and hams	$1.02 per cwt.*	$5.14 per cwt.
Butter	$1.54 per cwt.	$5.88 per cwt.
Condensed milk	55c. per cwt.	$1.96 per cwt.
Evaporated milk	37c. per cwt.	$1.11 per cwt.
Lard	5% ad val.	17½% ad val.
Meats, dried	5% ad val.	17½% ad val.
Honey	5% ad val.	17½% ad val.
Jams and jellies	5% ad val.	12½% ad val.
Apples	14c. per cwt.	52c. per cwt.
Potatoes	5% ad val.	10% ad val.

*Cwt. = 100 lbs.

In the Argentine we have a similar situation. The rate on tires and inner tubes increased from 34 cents to 49 cents per pound; on rubber boots, from 31 cents to 41 cents per pound; and there are increases shown for canvas shoes, malt, and so on. Then, the figures for Mexico, Venezuela and Cuba tell a similar story:

Some Latin American tariff increases between 1921 and 1930

Argentina

—	Rate in 1921	Law of November 29, 1923
Tires and inner tubes	34c. lb.	49c. lb.
Rubber boots	31c. lb.	41c. lb.
Canvas shoes with rubber soles (adults)	$6.50 doz.	$8.70 doz.
Malt	31c. cwt.	41c. cwt.
Zinc ingots or bars	$2.30 cwt.	$3.10 cwt.
White cement	$1.00 cwt.	$1.30 cwt.
Hydraulic lime or Roman cement	14c. cwt.	19c. cwt.

Mexico

—	Tariff March 1, 1923	Rate in August, 1930
Wheat	60c. bush.	$1.05 bush.
Bacon	5c. lb.	12½c. lb.
Beef and pork, frozen	½c. lb.	1¾c. lb.
Butter	3¾c. lb.	15c. lb.
Cheese	2½c. lb.	15c. lb.
Eggs	1½c. lb.	4c. lb.
Lard	1½c. lb.	3¾c. lb.
Apples	½c. lb.	2½c. lb.
Canned fruits	12½c. lb.	50c. lb.
Canned vegetables	4c. lb.	8¾c. lb.
Potatoes	½c. lb.	1¾c. lb.

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REVISED EDITION

Venezuela

—	Tariff of April, 1922	Rate in August, 1930
Butter	$4.28 cwt.	$10.28 cwt.

Cuba

—	Rate in 1921	Decree of Oct. 19, 1927	Decree of June 29, 1929
Potatoes for consumption	30c. cwt. all year	91c. cwt. from December 1 to May 31; 46c. cwt. rest of year	$2.27 cwt. from Nov. 1 to June 30; 68c. cwt. rest of year

These are increases in the duty in many of our best markets, such as France, Germany, Italy, China, Japan and so on. May I say to the right hon. gentleman that the closing of the markets in Europe occurred while his government was in office. I repeat, I am not saying the right hon. gentleman was responsible for closing the European markets, but I submit to him, to the house and to the country that because of the continuance of the duties which we found when we entered office, hon. gentlemen opposite have no right to say that this government and this party by its policy have closed the markets of the world. I now turn to another charge.

Mr. HANBURY: Would the minister permit a question? Will he tell us what the duty on lumber going to the United States was in 1929, and what it is to-day?

Mr. HANSON (York-Sunbury): The duty is exactly the same.

Mr. BENNETT: The same as it is now.

Mr. RALSTON: There is a $4 excise tax.

Mr. HANSON (York-Sunbury): No, that is not duty.

Mr. STEVENS: I will answer my hon. friend's question. The United States government, under its Revenue act, placed a special tax of $3 a thousand upon lumber. I believe that tax was put on in 1932. Apropos of the question, reading from the Vancouver Sun of January 19, I find an address by Mr. McDonald of New Westminster, President of the British Columbia Lumber and Shingle Manufacturers' Association. My hon. friends know that Mr. McDonald while an outstanding citizen of British Columbia and a public spirited gentleman, has always been a prominent Liberal so far as politics are concerned.

Mr. HANBURY: So far as we know.

[Mr. Stevens.]

Mr. STEVENS: Apropos of the question of lumber, this is what Mr. McDonald states:

> Through the enterprise of our association coupled with splendid help of the federal and provincial governments by way of tariff preferences, subsidized shipping services and financial assistance, we have been enabled to increase our foreign markets from 160,000,000 feet in 1929 to 428,000,000 or nearer 429,000,000 feet in 1933.

Mr. McDonald goes on to say:

> Every branch of the industry should be a unit in promoting, pushing and financing an intelligent and unified program of market extension so that reasonable returns can be possible for labour, capital and government exchequer.

Then he sets out a table, the grand totals of which are these: The export in 1932 of 446,889,543 feet increased in 1933 to 661,921,061 feet—the table sets forth the countries to which it was shipped. I shall set out a few, showing the outstanding increases. To South Africa, due entirely to the Ottawa agreements the benefits of which my hon. friends so persistently deny, the increase was from 5,664,646 feet in 1932 to 18,213,254 feet in 1933. To China, another market which we have definitely assisted by government intervention, the amount increased from 53,341,172 feet in 1932 to 130,596,268 feet in 1933. And, because of the agreements the amount to the United Kingdom increased from 108,314,682 feet to 270,208,051 feet. Then Mr. McDonald goes on with further references to the increases in this industry. I have referred to these figures because hon. members opposite insinuated that because the United States imposed a special tax against Canadian lumber, this government was responsible for it. Further, I have intimated to hon. gentlemen opposite, at least in part, some of the things we are doing to extend Canadian trade.

The hon. member for Shelburne-Yarmouth stated this afternoon that not only had this government done nothing for trade, but that it had done its best to stifle trade. He nods his head now. That, I say, is a most unfair statement—I was going to say a most untrue statement. It is not in accordance with the facts. However, before I come to that may I refer to the statement that has been made that this government and party have unduly increased Canadian tariffs. That is the statement which is quoted everywhere. The facts will disclose whether or not it is true. I say without fear of contradiction—and I see hon. members opposite whom I could name who know perfectly well that what I am going to say is true—that there are industries in Canada which, had we not taken action to protect them against unfair dumping from other parts of the world, would have gone down and out, and the employment in those industries would have been lost, as well as the industries themselves. There is no question about that. And there is no doubt—as if time permits I shall show later on—that had the right hon. gentleman who now leads the opposition been saddled with the responsibility of facing these issues in the last three or four years he would have done as we have done or would have lost out in this House of Commons, because the sense of the house is certainly behind the protection and the preservation of Canadian industry.

Again let me put to the test of actual statistical facts, the statement that we have unduly—the word used by one hon. gentleman was "inordinately"—raised the tariff in this country. Others say that we have raised it to the point of prohibition. Well, here are the facts. The average rate of duty on all goods for the fiscal year 1929-30 was, under the general tariff 15.51 per cent; treaty tariffs, 28.56 per cent; British preferential, 14.11 per cent. In the calendar year 1933 the general tariff had been increased to 17.92 per cent, or by 2.41 per cent, or less than two and a half per cent increase; treaty tariffs had been advanced by .45 per cent, or less than half of one per cent; and the British preferential had been advanced .28 per cent, or just a little over one-quarter of one per cent. But the increase in the British preferential was due to the transference of the liquor item from the general tariff under which it had always theretofore been, to the preferential tariff, and if you exclude liquor, the British preferential tariff to-day is on the average 11.69 per cent, or 1.59 per cent less than when this government took office.

So the facts, Mr. Speaker, are that there has been a slight, only a slight, increase in the general and intermediate tariffs, but there has been an actual diminution in the rate of duty under the British preferential.

The hon. gentleman who has just taken his seat said a few moments ago that we had raised the duty on two hundred items under the 1932 empire agreements.

Mr. RALSTON: Had fixed the duty.

Mr. STEVENS: He said "raised". But as a matter of fact we lowered the duty on 136 items which he forgot altogether.

Mr. RALSTON: And then added dumping duty.

Mr. STEVENS: No. The only dumping duty that applied was the exchange dumping duty owing to the dislocation of international exchanges. Does my hon. friend or any hon. gentleman who has given this matter thought suggest that any country can proceed with its trade relations with another country when there is a complete dislocation of international exchanges without taking some measures to deal with the problems that arise out of that dislocation?

Mr. RALSTON: Not the measures taken by this government.

Mr. STEVENS: This situation faced all the world; we had to meet the exigencies of the hour and the day—changes in rates of exchange, very wide fluctuations, creating conditions that simply had to be met. It is true that during the period the British pound was down to $3.29—I think that was the lowest point, or thereabouts—when it was between, we will say, $3.25 and $4, there were certain impositions of exchange-adjusting duties. Nobody questions that. Nobody is apologizing for it or suggesting that we should apologize for it. It was done under necessity, and was recognized by the British authorities as necessary. Not only that, but it was done very skilfully because the way we figured it out was accepted by the British exporters as fair and equitable.

Mr. RALSTON: Except that they asked you to take it off.

Mr. STEVENS: No, under the trade agreements they did not ask that. My hon. friend cannot interject such statements as that because I happen to have a bit of a memory myself. What the trade agreement said in article 17 was that His Majesty's government in Canada undertook that as early as conditions would warrant the special duties

and impositions of one kind and another would be removed. The representatives of the United Kingdom recognized fully in our conferences with them that these things were temporary and that we were dealing with them in good faith.

I wish to turn for a moment to the question of our trade. Hon. gentlemen opposite say that we have lost our trade, that our trade has been dissipated. I have here some rather interesting figures, given by the chief statistician of the League of Nations, which show the fall in world trade. In 1929 world trade amounted to $68,641,000,000; in 1930, to $55,575,000,000; in 1931, to $39,769,000,000; and in 1932 it had fallen to $26,611,000,000. That is the gauge, Mr. Speaker, of the trend of world conditions, and that is the gauge that should be applied to Canadian trade in order to interpret correctly whether or not Canada is suffering unduly in comparison with the rest of the world. My hon. friends, of course, in their party enthusiasm, brush aside all these considerations. They charge us with responsibility for the loss of trade. They totally ignore the fall in the price level throughout the world. I shall show in a moment the volume increase in our trade which I think is very encouraging. But whether we like this government and its policies or not, common decency and fairness demand that we measure the trend of Canadian trade by comparison with the trend of trade throughout the world. What if in 1930 we did have, as everybody had, expectations and hopes that the depression then under way, or the depression which was under way before we took office, would not last as long as it did? Is that a deplorable thing? I remember in the early days of the war how nearly everybody said that it would be over by Christmas of 1914; and there was just an odd person or two who said that it would last a year or two. Lord Kitchener was looked upon as a base pessimist for prophesying that it would last three or four years. But it lasted longer than anyone dreamed of; and so when we entered this depression in the fall of 1929, when the great collapse of the New York stock market occurred and precipitated the period of depression the general opinion throughout the world was that one year, or peradventure eighteen months, would see the end of the depression, as we had seen other cycles pass in years gone by. But all over the world without exception the depression continued to get deeper and deeper.

Someone referred this afternoon to Great Britain emerging from the depression earlier than we have. That is true, but Great Britain was in the trough of the depression for some years before we entered it; and that ought to be remembered. The hon. member for Shelburne-Yarmouth was not very fair when he made a point of Great Britain emerging in advance of this country or making more rapid progress, if you like to put it that way, because he ignored entirely the effect upon this country, as upon other countries, of Great Britain's going off the gold standard. I am not questioning the right or the wisdom of that step. As a matter of fact, I belong to that school of thought that believes she was right, but the effect was terrific throughout the world. I do not think that any economist up to the present time has ever properly gauged its effect upon the world. That is a fact over which we had no control and no possibility of control.

Then again there was the economic collapse of virtually all the countries of Europe, as I shall be able to show. My hon. friend points out that Britain is a little in advance of us in recovery, and I glory in the fact; I think it is splendid. But it is due partly to their farsightedness as statesmen and partly to the following of those careful and cautious policies which characterize Mr. Chamberlain as Chancellor of the Exchequer. And may I say to my hon. friend that the Prime Minister has been charged with walking step by step with Neville Chamberlain, the very gentleman who is responsible for the conditions in Great Britain which the hon. member opposite lauded this afternoon. In other words, he condemns the Prime Minister of Canada for following the same policy.

Now let me turn to British trade. I will place on Hansard a statement I have here with regard to Canadian domestic exports to the United Kingdom for calendar years 1931, 1932 and 1933:

No. 1.—Canada's Domestic Exports to United Kingdom of such items as show an Increase for 1933 over 1932 and also over 1931, both in quantities, when available, and values.

Articles Exported		Calendar Years		
		1931	1932	1933
Total Domestic Exports to United Kingdom		171,534,822	178,171,680	210,414,331
Agricultural and Vegetable Products—Mainly Food		90,024,491	102,630,911	105,299,588
Apples, fresh	Brl.	1,339,663	1,386,479	2,640,110
	$	5,300,934	5,639,946	10,061,420
Fruits, canned and preserved	Lb.	4,911,926	9,933,100	15,866,493
	$	299,752	556,113	854,409
Apples, dried	Lb.	126,000	256,900	820,100
	$	8,967	17,369	64,005
Pickles, sauces and catsups	$	1,397,224	1,173,459	1,479,245
Vegetables, canned and preserved	Lb.	10,188,640	4,536,310	14,673,436
	$	549,062	179,592	678,030
Flour of wheat	Brl.	2,197,217	2,285,951	2,438,447
	$	7,864,374	7,720,708	8,301,774
Macaroni, spaghetti and vermicelli	Lb.	695,957	1,787,188	2,945,263
	$	29,669	76,845	130,837
Cereal foods prepared	$	2,450,825	2,119,066	2,659,466
Hops	Lb.	112,177	7,200	594,927
	$	21,710	360	198,954
Agricultural and Vegetable Products—Other than Food	$	6,778,269	6,122,749	7,129,192
Tobacco, unmanufactured	Lb.	6,220,917	11,084,548	13,722,531
	$	1,972,484	3,158,184	3,639,094
Hay	Ton	12,793	5,876	13,918
	$	147,551	55,306	150,264
Fodders, n.o.p.	$	89,107	174,415	237,955
Senega root	Lb.	44,397	62,851	103,196
	$	16,618	19,139	36,811
Animals and Animal Products	$	31,729,174	28,839,863	38,481,676
Cattle, over one year old	No.	27,149	16,568	50,317
	$	2,218,383	1,257,398	3,198,194
Salmon, fresh and frozen	Cwt.	27,430	25,007	49,002
	$	473,550	352,532	672,568
Salmon, pickled	Cwt.	550	1,418	3,211
	$	9,320	18,563	44,621
Fish meal	Cwt.	.....	1,120	17,310
	$	.....	2,550	37,780
Fur skins, undressed	$	6,578,152	6,580,496	7,515,845
Furs, dressed, and mfrs. of	$	22,449	15,829	132,990
Upper leather	$	1,286,547	1,532,723	2,279,444
Leather gloves and mitts	$	123,322	114,528	183,276
Leather boots and shoes	Pair	1,206	2,180	7,570
	$	6,281	6,680	24,052
Beef, fresh, chilled and frozen	Cwt.	5,240	14,785	71,732
	$	31,937	62,116	338,862
Bacon and hams, shoulders and sides	Cwt.	109,617	306,934	715,247
	$	1,493,363	1,010,203	8,071,803
Canned meats, n.o.p.	Lb.	15,006	373,746	644,446
	$	4,586	66,363	104,836
Soups of all kinds	$	519,344	610,850	696,805
Milk, preserved	Cwt.	80,539	153,310	211,356
	$	623,518	1,003,791	1,348,324
Eggs	Doz.	431,070	24,720	1,750,075
	$	96,911	3,972	363,285
Honey	Lb.	1,796,859	2,161,800	2,213,899
	$	175,247	184,341	254,099
Sausage casings	$	41,609	80,681	309,755
Fibres and Textiles	$	1,284,772	1,238,597	1,799,169
Cotton, manufactures of	$	164,815	217,472	217,591
Artificial silk and manufactures of	$	485	858	39,802
Felt and manufactures of	$	150,968	127,373	176,247
Wood, Wood Products and Paper	$	13,452,882	12,046,263	16,272,657
Logs	M ft.	5,010	4,201	6,068
	$	178,666	144,430	193,102
Planks and boards	M ft.	112,038	172,462	450,706
	$	3,224,901	3,530,639	7,634,723
Timber, square	M ft.	20,121	22,709	35,849
	$	424,441	456,103	562,627

No. 1.—Canada's Domestic Exports to United Kingdom of such items as show an Increase for 1933 over 1932 and also over 1931, both in quantities, when available, and values.—*Concluded.*

Articles Exported		Calendar Years		
		1931	1932	1933
Wood, Wood Products and Paper—Concluded				
Shooks	$	134,047	144,316	154,343
Handles of wood of all kinds	$	49,000	55,733	66,082
Doors, sashes and blinds of wood	$	2,545	6,660	291,576
Paper board, n.o.p.	$	430,676	611,621	652,453
Iron and Steel	$	3,790,588	5,192,957	4,324,070
Wire	$	34,256	12,938	54,539
Hardware and cutlery	$	457,555	550,962	583,507
Tools, hand or machine	$	13,456	138,796	201,071
Automobiles, passenger	No.	391	1,553	1,827
	$	227,148	815,681	1,252,992
Lamps and lanterns	$	8,646	18,525	27,189
Non-Ferrous Metals, etc.	$	17,069,285	15,071,899	30,175,972
Aluminium in bars, rods, etc.	Cwt.	115,065	78,810	228,607
	$	1,890,546	1,175,532	4,035,786
Copper in bars, rods, etc.	Cwt.	130,609	851,748	1,241,732
	$	1,056,741	4,854,831	8,754,765
Lead in pigs, refined lead, etc.	Cwt.	957,122	1,214,788	1,723,179
	$	1,989,432	1,849,717	3,040,071
Nickel	Cwt.	236,595	68,530	262,978
	$	4,305,081	1,272,127	6,648,908
Jewellers' sweepings	$	26,318	60,055	267,641
Telegraph, telephone and radio apparatus	$	16,546	140,453	227,999
Spark plugs, magnetos and other ignition apparatus	$	157,892	195,751	246,403
Dynamos, generators and motors	$	46	20,888	48,459
Electrical heating and cooking apparatus, domestic	$	15,322	24,503	54,101
Metallic scrap, dross and ashes	Cwt.	3,571	3,860	7,197
	$	23,756	25,606	76,835
Non-metallic Minerals	$	1,135,139	1,287,089	1,662,617
Asbestos, raw	Ton	1,801	1,420	4,633
	$	140,024	82,567	303,492
Asbestos, sand and waste	Ton	1,015	1,151	2,816
	$	22,492	25,830	54,979
Coal tar and pitch	Gal.	Nil	962,190	1,541,002
	$	.....	73,030	101,141
Talc	Cwt.	19,006	29,638	30,405
	$	14,789	24,186	26,506
Abrasives, artificial, made up into stones, etc.	$	12,999	18,737	26,586
Carbon and graphite electrodes	$	.....	66,901	195,750
Chemicals and Allied Products	$	2,907,638	2,923,597	2,902,653
Fertilizers, manufactured	Cwt.	Nil	72	33,600
	$	.....	121	28,560
Paints and varnishes	$	110,414	140,874	149,283
Cobalt oxides and cobalt salts	Lb.	177,500	238,000	278,844
	$	218,230	242,125	254,374
Miscellaneous Commodities	$	3,362,584	2,817,755	2,366,737
Musical instruments	$	5,218	7,626	8,740
Settler's effects	$	420,718	401,477	450,121

These figures indicate the trend of Canadian business. Now, we ask this house and the country, not to look at the last three years of depression through which we have gone in common with the rest of the world, but to put to themselves this question; Is the government's policy of to-day leading us out of the depression? I submit that it is. I submit that these figures show a tendency towards an increase in business, and I contend that this is due directly to the policies of the government.

[Mr. Stevens.]

I shall now very briefly deal with the situation from the trade standpoint of Europe. Under modern conditions governments are confronted everywhere with peculiar difficulties. First, there are the day to day problems, due to disturbed world conditions, which we are called upon to face. As I said a moment ago, the government might be faced with a condition where a country's currency had suddenly and rapidly depreciated, and we were faced, as any government would have been faced, with the necessity of adjusting

that changed condition to the rates of duty that were being imposed under par conditions. Then there is the more complex question of gauging what lies ahead, what changes are lasting and what permanent adjustments are necessary in connection with the trade problem. That is one of the most difficult things the country is confronted with to-day. To what extent are we to accept as permanent, for instance, the quota system of Europe? Do hon. gentlemen opposite appreciate the fact that virtually every country in Europe imposes quotas in addition to high duties? Take France: France has some three thousand items in her tariff and out of these thirteen hundred are under quota, arbitrarily fixing the quantity of goods that various countries may ship into her market. And so with Belgium, Italy, Germany, Spain, the Netherlands and other countries—all these are imposing quotas upon other countries, not against Canada alone but against all other countries in the world. All this arises out of the dislocation of trade owing to the collapse of international exchange.

There are evidences of improvement in the price level throughout the world. This, as hon. gentlemen angularly opposite will recall, is a problem which has been exercising the minds of economists and particularly those who are studying affairs from the standpoint of the primary producer. Various suggestions have been made. One common suggestion put forward in this house and out of it has been that there should be a wide and, I use the word not unkindly, reckless issue of notes irrespective of metallic backing or anything else. Such suggestions, looking to extreme inflation, have not been favoured by the government; they have not been favoured by any governments in the world since 1922. They were tried then with disastrous results. But such measures as various governments in the world have applied to the solution of the problem are now gradually finding effect, and there is a steadily increasing price level for primary products.

The hon. member who took his seat a few minutes ago said that this government was guilty of gambling in wheat, and that we had lost $30,000,000. No statement could have been further from the fact than that. This government is not either directly or indirectly gambling in wheat. The hon. member for Melville made the same statement the other night. What this government has done is this. It has supported Mr. McFarland, who was chosen as their manager by the pool selling agency for the three western pools. The government has stood behind that selling agency, controlled by Mr. McFarland, in taking care of wheat futures on the Winnipeg market. What does that mean? My hon. friends from the west know what it means. Every autumn when the Canadian wheat crop is harvested and poured upon the market, the ordinary buying agencies cannot absorb the quantity of wheat offered; the milling and export agencies cannot absorb it. It is a physical impossibility to absorb the wheat so offered, and if no other agency were present that wheat would be backed up on the market and there would be unquestionably a collapse of prices. Therefore throughout the years there has grown up in this country and in the United States what is known as the purchase of futures, that is, contracting to take wheat one month, three, six, or nine months ahead as the case may be. That contract to take that wheat is what makes possible the orderly marketing of the Canadian wheat crop. That has been going on for years; it is a developed system.

But what happened two or three years ago was this: with the collapse in the price of wheat together with other commodities on the world market, wheat speculators were driven out of the market. So the pool selling agencies found themselves with a substantial quantity of wheat in futures on their hands and the farmers of the west were faced with the necessity of having some institution or organization absorb those future contracts. Therefore, the pool selling agencies, under the direction of Mr. McFarland, took up the slack, to use a common expression, absorbed those futures as they were offered on the market, and every future contract represents actual wheat in the storage elevators or back in the country elevators in western Canada. Every future contract is represented bushel for bushel by wheat somewhere in physical form in Canada, capable of delivery when required by the holders of future contracts.

Mr. DONNELLY: Would the minister tell us the difference between buying futures and gambling in them?

Mr. STEVENS: Yes. My hon. friend knows quite well, as do many other hon. members, that were it not for the purchasers of future contracts on the Winnipeg or Chicago market, as the case may be, it would not be possible to market in orderly fashion the western wheat crop. No one knows that better than does the western farmer; but it is quite true that the purchaser of future contracts, whether in Chicago, Winnipeg or elsewhere, may be a speculator in wheat. Who

buy future contracts? First, the millers for their future use, because millers will buy in October or November for delivery in May or July. That is their regular practice. They thus ensure a certain amount for their requirements. Exporters, in anticipation of their requirements, purchase futures. Futures are purchased for the Scottish Cooperative, which is one of the biggest organizations. Purchasers for the big milling interests in Great Britain, Bunge, Dreyfus, the great dealers on the European continent, all buy futures for delivery at some future date. I am reminded that the Stamp commission which went into this whole question made a decision—and it was accepted—which was distinctly in favour of those who had wheat to sell, namely, the producers. It is vital to the producer of wheat in the prairie provinces that when his time of delivery in the fall comes, there should be some agency available to absorb the excess of wheat that is offered for sale, and that is all that has been done. If there were no buyer there would be no sale. My hon. friend knows that had Mr. McFarland, the head of the pool selling agency, refused to take up in the fall of 1932 and again this autumn, the excess delivery over purchases by the mills and the exporters, there would have been a wholly disastrous slump in the price of wheat beyond any point to which it actually went. Last fall I pointed out all these facts to some hon. gentlemen opposite. Would my hon. friends now say: You have been gambling in wheat; why have you not come out into the open? Anybody who knows anything about business knows that if a government were to disclose its hand day by day in regard to these things, it would have ruined the wheat market. There is not a single dealer in wheat, whether he is a producer, or a representative of the pools, or any of the purchasing or selling agencies, but would tell any hon. gentleman that what I have just stated is true. It would have ruined the market.

We have been faced in Europe with quotas, with high rates of duty for which we were not responsible, which were in existence before we took office. Faced with these conditions, not because we have closed markets, we have done everything that ingenuity, skill, foresight and the backing of the government could do to hold the wheat market of Canada steady in the interests of the producers.

I should like to have dealt with a few other questions, but I shall not infringe upon the time of the house. In conclusion let me say this: this is the situation in our great markets, namely, Great Britain and the continent. Fortunately Great Britain now gives us a sheltered market due to our agreement, but in the great European markets of France, Germany, Italy, Belgium, Holland, Norway, Sweden, Czechoslovakia and so on, due to the disturbed conditions which have obtained in the last few years, unfortunately for us, as well as for others, systems of quotas and high rates of duty obtain, but we hold with the governments of those countries the most friendly relations. I do not know of any of them that are not on the most friendly terms and I am hopeful that as time goes by and as conditions improve, those markets will be an increasing source of absorption of Canadian products.

Mr. EDOUARD LACROIX (Beauce) (Translation): Mr. Speaker, before this debate closes, I wish to briefly discuss the financial and economic situation of the country, such as it appears to me. I disagree, sir, with the views expressed by the hon. member for Compton (Mr. Gobeil) who moved the address in reply to the speech from the throne. To restore prosperity to this country one must, first, desire it, and the government certainly does not. Is it by its policy of indifference or by its exaggerated policy of protection that we shall succeed in restoring prosperity? Prosperity, under the Conservative regime, is like a flower which hardly blossoms, and hon. gentlemen on the government benches must know that they cannot coax it, they must show themselves worthy of it and deserve it. Can we hope that prosperity will be restored to this country?

I fear that we shall never see it again. We shall certainly not prosper before we can improve our situation, federal, provincial or municipal, and put our financial affairs on a sound footing, and, so to speak, make an inventory of the country's finances.

I contend, sir, that we must first know how we stand, salvage the ship of state which is sinking. I, moreover, state, as we are all aware, that Canada will soon be bankrupt. Very soon we shall have to repudiate our liabilities or default, unless we act immediately. Where is the so called government policy of sound money leading us to, where has it led us hitherto? What do the government's followers think of the labour situation? What do they think of the labourer without work who toils for a pittance? The representatives of the counties adjacent to the Quebec district understand what I mean by a labourer working for a pittance. They are numerous in their counties and I wonder why they have

not protested hitherto. The farmer, unable to obtain credit, is forced to leave his farm and seek another home on new land. The country merchant has lost 60, 80 and 90 per cent of his stock; the manufacturer, in certain industries, is on the road to ruin. For instance, in the paper industry, 56 per cent of the companies are bankrupt or reorganizing.

The figures which I shall quote, sir, will exactly describe the situation of municipalities, provinces, and Canada as a whole; it will, perhaps, impress many of us who are wondering where we are bound for and when the ship will become stranded? In 1911, the national debt amounted to $340,042,052; in 1921, $2,340,878,984; in 1930, $2,177,763,959; in 1933, $2,599,089,000. While in 1933, the dominion debt for the guarantee of railway bonds—less the $60,000,000 lately guaranteed to the Canadian Pacific Railway—amounted to $996,148,000. In 1930, the provincial liabilities amounted to $1,363,382,000. In 1933 also, indirect liabilities amounted to $215,977,000. In 1933, municipality liabilities had reached $1,584,000,000. The total debt of Canada in 1933, including railway guarantees, not including, however, the $60,000,000 guaranteed to the Canadian Pacific Railway, but including the provincial and municipal liabilities, amounted to the fabulous sum of $6,758,-596,000 or $651.33 per capita.

According to the figures I have just quoted, the total debt of Canada between 1930 and 1934 has increased $1,167,236,444. That comprises all the dominion, provincial and municipal liabilities, namely, a yearly increase of $291,809,111 or $29.08 per capita, by which we aggravate the situation of this country.

To better analyse and understand this extraordinary state of things, I took the pains of looking up the United States's national debt and comparing it with ours, seeing that the United States government's policy is striving to wipe out its domestic debt. I find that in the United States on June 1, 1933, the federal, state and municipal governments, including county councils, had a total debt of $42,223,249,000 or $355.10 per capita. In Canada our debt amounts to $651.33 per capita compared with $355.10 in the United States. This means that every Canadian owes the double of what the United States citizen owes. Moreover, the United States have no outside debts, while ours amounts to 40 per cent of the total debt.

Recently, at Vancouver, the right hon. Prime Minister (Mr. Bennett) drew the attention of his audience to this fact. In Toronto, he stated that Canada's credit could not be further extended. In Montreal, he attributed our colossal debt to railway construction. To my mind the responsibility rests not alone on railways, but mostly on the public men who then voted these guarantees to railways. The government in office in 1911, 1912, and 1913, of which the right hon. Prime Minister (Mr. Bennett) was a supporter, voted on many an occasion subsidies and guarantees to the Canadian Northern, owned by MacKenzie and Mann; and I could point out many instances where our Prime Minister himself approved these subsidies and guarantees to that railway. In 1914, according to Hansard, did he not state himself that in 1912 and 1913, he had approved of these subsidies? I simply wish to show that if the country's liabilities have reached this colossal figure, all must shoulder their own responsibility and not place the burden on Sir Wilfrid Laurier's administration.

Another event which we have not forgotten and which is the cause of our present plight, is the great war with its enormous waste. One well recalls the memorable speech of the right hon. Mr. Meighen in the course of which he exclaimed, "To the last man and to the last dollar!" Well, sir, the last dollar is gone and no one wants to be reminded of it.

Mr. BARRETTE (Translation): Will the hon. member permit me to ask a question?

Mr. LACROIX (Translation): Certainly.

Mr. BARRETTE (Translation): You mentioned a moment ago the country's debt and stated that our total liabilities, including municipal and school debt, amounted to $8,000,000,000.

Mr. LACROIX (Translation): $6,758,-596,000.

Mr. BARRETTE (Translation): Can you state what is Canada's total assets?

Mr. LACROIX (Translation): I shall answer the question as follows: If Canada's debt amounts to $6,000,000,000 and if we continue to increase our debt by $29 per capita each year; moreover, if lumber continues to retail at $6 per 1,000 feet, b.m., Canada's credit is not worth much.

Mr. BARRETTE (Translation): Will the hon. member permit me to give him some information? I think it may be useful to him. I shall refer the hon. member to the Canada Year Book.

An hon. MEMBER (Translation): That is not a question.

Mr. BARRETTE (Translation): Is the hon. member aware that Canada's assets amount to $30,000,000,000, namely $3,000 per capita.

Mr. LACROIX (Translation): The hon. member does not seem disposed, this evening, to settle Canada's debt.

If we desire prosperity in this country, we must first put our house in order and make use of stringent means which the situation demands. Why not forsake this policy of sound money and increase the purchasing power of our people? If the United States have found it necessary to deflate their dollar to 59 cents, and soon to 50 cents, when their debt per capita amounts to only $335·10, why should we, in Canada, strive to liquidate our debt with money of fictitious value and which would not be acceptable to our people?

If the United States find it necessary to stabilize their dollar at 50 cents, and if our liabilities amount to double what theirs are, I state that the par value of the Canadian dollar should be 50 per cent of the value of the United States dollar; namely that we should stabilize our dollar at half of its present value.

Moreover, other countries have set the example. In 1920, France made an inventory of her assets and studied the paying power of her people and came to the conclusion that to honourably meet her liabilities she had to stabilize her franc at 3·92 cents, namely, 19½ cents on the dollar. Great Britain also resorted to deflation on the pound sterling. Sweden, Norway, Italy, Belgium, Japan and many other countries were forced to deflate their currency so as to meet their liabilities.

It may be asked—that is, perhaps, what the hon. member for Berthier-Maskinongé (Mr. Barrette) wishes to find out—How shall we meet our liabilities abroad? We can do so, if we wish. Canada ranks second among gold producing countries. According to the Bureau of Statistics, in 1933, we produced $60,880,000 worth of gold, reckoning its value at $20.67 an ounce. However, if it is appraised at market value, namely $35 an ounce, the gold production in our country, in 1933, amounted to $103,077,450. Why not fund this foreign debt at fifty years and pay it with the products of our gold mines, and not by crediting the capitalist with a premium on gold as we are at present doing, leaving the impression that we are very wealthy.

Recently the United States revalued all their gold and the government alone were credited with the profits. Even on gold held in reserve by the United States national banks, the premiums was credited to the government and not to these banks. I wonder why we should pay the premium to gold producers in this country instead of crediting it to the government.

We could, sir, utilize another natural resource in order to liquidate our liabilities. The means which I shall suggest may not please every one; however, when one wishes to pay his debts, all legitimate means are resorted to. I refer to gasoline and oils sold in Canada. According to last year's statistics, we consumed 503,800,000 gallons of gasoline. Two years ago the consumption amounted to 100,000,000 gallons more. Why permit this gasoline to be sold from 7 to 10 cents more, per gallon, than it should sell? Who benefits by it? Who are those who are benefited by this 7 to 10 cents margin over and above the cost price? The profits in such a transaction go to Rockefeller, the Standard Oil of New Jersey, the Imperial Oil of Canada, a subsidiary company and other oil companies which are connected with and owned by the Imperial Oil Co. of Canada.

In April last, the Standard Oil and the Pan-American Oil submitted to me a price for a cargo of gasoline; I wish to quote their figures in order that they may appear in Hansard. For a cargo of gasoline loaded in the Gulf of Mexico, the Standard Oil and Pan-American Oil asked me 3·25 cents per gallon. The transportation company charged 35 cents per barrel for this shipment from the Gulf of Mexico to Quebec, or 0·82 cents per gallon, a total of 4·07 cents per American gallon, delivered in Quebec. Comparing the United States gallon with that of Canada, the latter contains one fifth more. Therefore, in April last, the large United States trusts, owners of the Imperial Oil and other Canadian companies, asked me 4·89 cents for an Imperial gallon, delivered on board ship in the port of Quebec.

What was, then, the sale price of gasoline on tank cars, at Quebec and Montreal? I inquired and found that the Imperial Oil and the Champlain Oil, were selling gasoline at 12·5 cents per gallon, at Montreal and that the shipping cost from Montreal to Quebec amounted to 2·5 cents per gallon—

Mr. DUMAINE (Translation): Shame!

Mr. LACROIX (Translation): —namely 15 cents per gallon delivered in Quebec, or a spread of 10·11 cents per gallon between the Standard Oil prices—4·89 cents per gallon—and those of its subsidiary company, the Imperial Oil—15 cents per gallon.

Why tolerate such a situation in Canada and thus permit the removal of $50,300,000 of the people's savings, because a group of men known as the gasoline trust are benefited by an exaggerated protection.

This proves how shameful are the profits of the gasoline trust in Canada. Last summer, as you are probably aware, tourists, at Lasalle, Quebec, could only purchase three gallons of gasoline for $1, while, across the border, at Plattsburg, they obtained six gallons for the same price. Yet we do not bestir ourselves when the public debt increases $29.08 per capita yearly! If it is desired that the Canadian people should continue to pay top prices for their gasoline, why not levy an excise tax of 10 cents per gallon? Let us do away with tariff barriers and permit outsiders to sell their gasoline in this country. We shall then soon find out that gasoline will sell less than 30 cents per gallon, even including this aforesaid excise tax and those levied by provincial governments.

Mr. Speaker, I feel that it would somewhat be a great sacrifice for this government to turn against trusts, especially the gasoline trust, the Standard Oil and Imperial Oil. That is why I wanted to explain our financial and economic situation such as I see it and to suggest certain remedies.

Mr. BARRETTE (Translation): Were investigations requested under the Liberal administration?

Mr. LACROIX (Translation): If the hon. member will deign to reply to my question, I shall ask him what relief he is giving, at present, to the people of his county who are not earning anything?

An hon. MEMBER (Translation): Everybody is earning.

Mr. LACROIX (Translation): Steps must be taken, sir, before it is too late, otherwise, we shall have the sorrow of seeing our country pass under the guardianship of Great Britain, just as Newfoundland is, at present. I shall vote, sir, for the amendment and against the main motion.

The house divided on the amendment (Mr. Mackenzie King) which was negatived on the following division:

YEAS

Messrs:

Beaubien
Blair
Bothwell
Boucher
Boulanger
Bradette
Brasset
Brown
Butcher
Casgrain
Chevrier
Denis
Deslauriers
Desrochers
Dubois
Duff
Euler
Factor
Fafard
Ferland
Fiset, Sir Eugène
Fontaine
Fournier
Fraser (Northumberland, O.)
Gardiner
Garland (Bow River)
Gershaw
Girouard
Golding
Goulet
Hall
Hanson (Skeena)
Heaps
Heenan
Hepburn
Howard
Howden
Hurtubise
Jacobs
Jean
King, Mackenzie
Lacroix
Lucas
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
Macphail, Miss
McIntosh
McKenzie (Assiniboia)
McPhee
Mercier (Laurier-Outremont)
Michaud
Mitchell
Motherwell
Munn
Neill
Parent
Raymond
Reid
Rhéaume
Roberge
Rutherford
St-Père
Sanderson
Spencer
Stewart (Edmonton West)
Taylor
Thauvette
Totzke
Vallance
Veniot
Verville
Weir (Macdonald)
Woodsworth
Young—76.

NAYS

Messrs:

Anderson (Toronto-High Park)
Anderson (Halton)
Arsenault
Arthurs
Barber
Baribeau
Barrette
Beaubier
Belec
Bell (St. Antoine)
Bell (St. John-Albert)
Bennett
Beynon
Bourgeois
Bowen
Bowman
Boyes
Burns
Bury
Carmichael
Casselman
Chaplin
Charters
Cotnam
Cowan (Long Lake)
Davies
Dickie
Dorion
Dupré
Duranleau
Embury
Ernst
Fortin
Fraser (Cariboo)
Gagnon
Ganong
Garland (Carleton)
Geary
Gobeil
Gordon
Gott
Hanson (York-Sunbury)
Harris
Hay
Kennedy (Peace River)
Kennedy (Winnipeg South Centre)
Laflèche
Larue
Laurin
Loucks
MacLaren
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
Maloney
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Morand
Mullins
Murphy
Myers
Nicholson
Peck

Perley (Qu'Appelle)	Spotton
Pickel	Sproule
Plunkett	Stanley
Porteous	Stewart (Leeds)
Price	Stewart (Lethbridge)
Quinn	Stinson
Robinson	Stirling
Rogers	Stitt (Nelson)
Ross	Stitt (Selkirk)
Rowe	Sullivan
Ryerson	Sutherland
Senn	Swanston
Shaver	Tétreault
Short	Thompson
Simpson (Simcoe North)	(Simcoe East)
	Thompson (Lanark)
Simpson (Algoma West)	Tummon
	Turnbull
Smith (Victoria-Carleton)	Weese
	Weir (Melfort)
Smith (Cumberland)	White (London)
	White (Mount Royal)
Smoke	Willis
Spankie	Wilson
Spence	Wright—110.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Baker	Bertrand
Bell (Hamilton)	Mercier (St. Henri)
Black (Halifax)	Dubuc
Cahan	Rinfret
Cantley	Cardin
Cowan (Port Arthur)	Ilsley
Duguay	Dumaine
Edwards	Elliott
Esling	Hanbury
Guthrie	Lapointe
Hackett	Perras
Johnstone	Donnelly
Jones	Maclean
LaVergne	Irvine
Lawson	Gray
Lennox	Pouliot
MacDonald (Cape Breton)	Urquhart
Macdonald (Kings)	Ahearn
McDougall	Moore (Ontario)
McDade	Dupuis
McGibbon	Power
McLure	Coote
Perley, Sir George	Marcil
Pettit	Bouchard
Rhodes	Ralston
Sauvé	Séguin
Stevens	Malcolm.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, it is not my intention to make a long speech, but just to unveil a monument covered with the union jack—I mean the Ottawa conference agreements.

On January 29, the mover of the address in reply is reported at page 10 of Hansard as follows:

The Imperial conference agreements, in force for over twelve months, have given most satisfactory results, and the government under the leadership of the present Prime Minister (Mr. Bennett) has cause to rejoice.

[Mr. Lacroix.]

The seconder of the address in reply is reported in Hansard at page 13, as follows:

In 1930 the leader of the Conservative party, the present Prime Minister (Mr. Bennett) gave to the people of this dominion a pledge that if he were placed at the head of government in this country he would see to it that Canadians were afforded an equal opportunity with their competitors to carry on the development of Canada. That pledge has been fulfilled to the letter.

These are quotations from the speeches of the hon. members for Compton (Mr. Gobeil) and Fraser Valley (Mr. Barber) as they are reported at pages 10 and 13 of Hansard.

Let this smoke screen of burning incense clear up. I shall deal item by item with the products which were mentioned in the summaries disclosed by the Prime Minister in his speech of October 12, 1932, as follows:

Textiles

1933 exports compared with 1930

1. Cotton—		
(a) Raw—no exports.		
(b) Manufactured.	$275,258	more
2. Wool—		
(a) Raw—		
To British Empire.. ..	$ 463,587	more
Foreign countries. ..	816,962	more
Increase.	$1,280,549	
(b) Manufactured woollens—		
To British Empire.. ..	$254,519	less
Foreign countries. ..	91,433	less
Total loss..	$345,952	
3. Flax, hemp, etc.		
(a) Raw—		
To British Empire.. ..	$ 945	more
Foreign countries. ..	1,567	less
Total loss..	$ 622	
(b) Manufactured—		
To British Empire.. ..	$4,183	less
Foreign countries. ..	5,737	less
Total loss..	$9,920	

Net increase, $1,199,313.

Tobacco

1933 exports compared with 1930

(a) Raw tobacco—		
To British Empire..	$2,499,203	more
Foreign countries.. ..	96,529	less
Increase..	$2,402,674	
(b) Manufactured tobacco—		
To British Empire..	$ 8,248	more
Foreign countries.. ..	2,453	more
Increase..	$10,701	

Total increase, $2,413,375.

Increase in home consumption in 1932-33 over 1930-31, 2,217,477 pounds.

Canned Pears

1933 exports compared with 1930

To British Empire..	$242,301 more
Foreign countries.. ..	1,108 more
Increase..	$243,409

No information available about exports of fresh plums.

Apples

1933 exports compared with 1930

(a) Fresh apples—	
To British Empire..	$2,898,345 more
Foreign countries.. ..	847,851 less
Increase..	$2,050,494
(b) Dried apples—	
To British Empire..	$ 39,796 more
Foreign countries.. ..	186,878 less
Total loss..	$147,082

Net increase, $1,903,412.

Information about canned apples available only from April 1, 1933.

Decrease in home consumption in 1932-33 compared with 1931-32, 1,209,934 barrels.

Honey

I was speaking to the High Commissioner for Canada yesterday with respect to this item and I find that we do not enjoy the benefit of the market we should have in Great Britain for Canadian honey because we have not standardized our product. But the opportunities are amazing. (Mr. Bennett, October 12, 1932; Hansard, p. 131).

To British Empire.. .. ..$	119,215 more
Foreign countries.. ..	7,952 less
Increase.. .. .. ..$	111,263

Home consumption of 1932-33 compared with 1930-31:

Decrease.. .. .. 9,535,689 lbs.

What about the local market?

Pickles and sauces

Canada should now materially extend her sales of ketchup into the United Kingdom in competition with Italy and Spain. (Mr. Bennett, October 12, 1932; Hansard, p. 130).

1933 exports compared with 1930

To British Empire.. .. ..$	212,698 more
Foreign countries.. ..	8,467 more
Increase.. .. .. ..$	221,165

Bacon and hams

Here we have a value in stability, a value in the certainty of a market for a period of years; and I believe that there will be opened up a useful and profitable activity to Canadian farmers which has not heretofore been presented to them. (Mr. Bennett, October 12, 1932, Hansard, p. 125).

1933 exports compared with 1930

To British Empire.. .. ..$	5,197,915 more
Foreign countries.. ..	409,449 less
Increase.. .. .. ..$	4,788,666

Cwt. value in 1930, $24; in 1933, $11.

Increase in home consumption of pork meat from 1930-31 to 1932-33, 196,774,707 pounds.

Bacon, sides and hams

	1930	1932
Production in lbs...	66,683,057	81,925,967
Value..	$18,802,785	$10,901,165

Increase in production, 15,242,910 lbs.
Decrease in value, $7,901,620.

Eggs in shell

1933 exports compared with 1930

To British Empire.. .. ..$	353,733 more
Foreign countries.. ..	1,226 less
Increase.. .. .. ..$	352,507

Average price of eggs per dozen 1930, 37 cts; 1933, 21 cts.

No information available about frozen eggs.

With a favourable price incentive, Canada can double her production in five years, and treble or quadruple it in ten years. (Mr Bennett, October 12, 1932, Hansard, p. 131).

Decrease in home consumption in year 1932-33 compared with 1930-31, 45,959,763 dozen.

Cattle

1933 exports compared with 1930

To British Empire..	$2,583,679 more
Foreign countries.. ..	2,312,361 less
Increase..	$ 271,318

No information available about calves.

"The restrictions, removal of which is provided by the agreement, have materially impeded the forwarding of Canadian cattle to Great Britain and have unduly increased costs in developing this trade. At the present time the only Canadian cattle eligible for licensing to interior markets and farms in Great Britain are store cattle—defined in the Importation of Animals Act of 1922 as "castrated male or spayed female bovine animal intended for further feeding purposes and not for immediate slaughter." All male and female cattle, as well as cattle shipped as "fats" may be landed only for immediate slaughter. To insure against cattle in finished condition being shipped as stores, the British port veterinarians are authorized to classify as near fats any cattle which in their judgment could not properly be termed "stores." Such cattle, if licensed to farms or feed lots, must be retained for at least twenty-eight days before being returned to market. The purpose of this has been to prevent, as far as possible, competition of Canadian finished cattle with home finished cattle on interior markets and it has had that effect." (Mr. Bennett, October 12, 1932—Hansard, p. 125.)

Increase in Exports
in 1933 over 1930

Textiles	$ 1,199,313
Tobacco	2,413,375
Canned pears	243,409
Apples	1,903,412
Honey	111,263
Pickles and sauces	221,165
Bacon and hams	4,788,666
Eggs in shell	352,507
Cattle	271,318
	$11,504,428

Home consumption

1932 compared with 1930

Tobacco, 2,217,477 pounds increase.
Canned pears, no information.
Apples, 1,209,934 barrels decrease.
Honey, 9,535,689 pounds decrease.
Pickles and sauces, no information.
Bacon and hams—
(a) increase in production, 15,242,910 pounds.
(b) decrease in value, $7,901,620.
Eggs in shell, 45,959,763 dozen decrease.
Cattle, no information.

Dressed beef

1933 exports compared with 1930

(a) Quantity in cwts.—		
To British Empire	63,141	more
Foreign countries	46,129	less
Increase	17,012	cwts.
(b) Value—		
To British Empire	$ 75,408	more
Foreign countries	74,942	less
Total loss	$ 672,534	

Average price per cwt, 1930, $15.70; 1933, $5.83.
Decrease in home consumption in year 1932-33 compared with 1930-31, 89,161,967 pounds.
In those years, the Canadian people have eaten more ham and bacon than beef.

Sheep, lambs and mutton

The home consumption was 4,845,080 pounds more in 1932-33 than in 1930-31.

1933 exports compared with 1930

(a) Mutton and lamb, fresh—		
To British Empire	$ 3,906	less
Foreign countries	35,718	less
Total loss	$ 39,624	
(b) Sheeps and lambs—		
To British Empire	$ 4,517	more
Foreign countries	5,222	less
Total loss	$ 705	

Grand total loss, $40,329.

Leather

The leather schedules are revised, with resultant increased preference on such important lines as belting and sole leather, pig and morocco leathers, and all leather further finished than tanned. (Mr. Bennett, October 12, 1932; Hansard, p. 113.)

[Mr. Pouliot.]

1933 exports compared with 1930

(a) Unmanufactured leather—		
To British Empire	$ 1,246,903	more
Foreign countries	2,731,909	less
Total loss	$ 1,485,006	
(b) Manufactured leather—		
To British Empire	$ 99,230	more
Foreign countries	551,642	less
Total loss	$ 452,412	

Grand total loss, $1,937,418.

Production of leather

(a) Unmanufactured—	
1930	$19,936,315
1932	14,188,118
Decrease	$ 5,748,197
(b) Manufactured—	
1930	$52,870,690
1932 (preliminary)	40,300,000
Decrease	$12,570,690
Total decrease	$18,318,887

Dairy products

(a) Concentrated milk—

"An expansion in the output of concentrated milks means a greater increase in employment not only in manufacturing the product itself, but also in producing packages, as cans and cases, labels, etc., than is the case with an expansion in the output of cheese and butter." (Mr. Bennett, October 12, 1932, p. 126.)

(b) Butter—

"The proposed treaty should also result in a gradual increase in the price of creamery butter, in which case Canadian agriculture will benefit, not only from the increase in price, but also from the increase in production, which will result from an increase in price." (Mr. Bennett, October 12, 1932, Hansard, p. 127.)

Average value of butter, 1930, 30 cents per pound; 1933, 17 cents per pound.

(c) Cheese—

"Since the empire countries supply 86-89 per cent of the cheese imported into the United Kingdom in 1931 and the entire quantity of the type of cheese produced in Canada the direct effect of this preference is not so important. (Mr. Bennett, October 12, 1932, Hansard, p. 127.)

"It is however important to keep in mind that the various milk product industries act interdependently in maintaining a staple price for these commodities. (Mr. Bennett, October 12, 1932, Hansard, p. 127.)

1933 exports compared with 1930

(a) Concentrated milk—		
To British Empire	$ 380,103	more
Foreign countries	1,231,196	less
Total loss	$ 851,093	

(b) Butter—
To British Empire.. .. ..$ 468,643 more
Foreign countries.. .. 52,271 less

Increase.. .. .. ..$ 416,369

(c) Cheese—
To British Empire.. .. ..$ 4,688,904 less
Foreign countries.. .. 441,497 less

Total loss.. .. .. ..$ 5,130,401

Recapitulation—
(a) Concentrated milk.. ..$ 851,093
(c) Cheese.. 5,130,401

$ 5,981,494
(b) Butter.. 416,369

Grand total loss...$ 5,565,125

Home consumption in 1932-33 compared with 1930-31: (a) concentrated milk, 48,990,807 pounds less; (b) butter, 25,698,173 pounds more; (c) cheese, 7,548,392 pounds less.

Vegetables

1933 exports compared with 1930

(a) Tomatoes (fresh not available)
Canned tomatoes—
Increase.. .. ..$ 274,017

(b) Peas—
To British Empire.. .. ..$ 14,490 less
Foreign countries.. .. 10,671 more

Total loss.. .. .. ..$ 3,819

(c) Potatoes—
A preference of 10 per cent with our free entry will mean that in some years when production in the United Kingdom is low and our production high, free access to the United Kingdom market will be of especial importance. (Mr. Bennett, October 12, 1932—Hansard, p. 130.)
To British Empire.. .. .$ 59,990 less
Foreign countries.. .. 5,444,768 less

Total loss.. .. .. ..$ 5,504,758

Grand total loss in the exports of vegetables.. ..$ 5,234,560

Home consumption, year 1932-33 compared with 1930-31: (a) tomatoes, not available; (b) peas, 973,616 bushels less; (c) potatoes, 2,284,769 hundredweight less.

Grain

1933 exports compared with 1930

(a) Oats—
To British Empire.. .. ..$ 801,559 more
Foreign countries.. .. 166,007 less

Increase.. .. .. ..$ 635,552

(b) Barley—
To British Empire.. .. ..$ 62,650 more
Foreign countries.. .. 288,138 less

Total loss.. .. .. ..$ 225,488

(c) Wheat—
To British Empire.. .. ..$38,801,602 less
Foreign countries.. .. 24,571,738 less

Total loss.. .. .. ..$63,373,340

(d) Wheat flour—
To British Empire.. .. ..$ 9,162,336 less
Foreign countries.. .. 9,361,401 less

Total loss.. .. .. ..$18,523,737

Grand total loss in the exports of grain and wheat flour, $81,487,013.

Home consumption

Year 1932-33 compared with 1930-31

(a) Oats— Bushels
Decrease.. 4,116,423
(b) Barley—
Decrease.. 30,140,741
(c) Wheat—
Decrease.. 55,146,394

Total decrease.. 89,403,558

(d) Wheat flour— Barrels
Decrease.. 1,689,000

Fish products

"It seems probable that the 10 per cent preference enables us to take a substantial portion of the United Kingdom business. In this canned fish exchange the United Kingdom for the year 1930 imported a total of 188,000 cwts." (Mr. Bennett, October 12, 1932. Hansard, p. 122).

1933 exports compared with 1930
To British Empire.. .. ..$ 2,116,116 less
Foreign countries.. .. 9,521,337 less

Total loss.. .. .. ..$11,637,453

Production of fish and fishery products:
1930.. .. .. $47,804,216
1932.. 25,957,109

Decrease.. .. .. .. $21,847,107

Timber Products

1933 exports compared with 1930

(a) Wood unmanufactured—
To British Empire.. .. ..$ 1,557,336 more
Foreign countries.. .. 37,726,321 less

Total loss.. .. .. ..$36,168,985

(b) Pulp—
To British Empire.. .. ..$ 171,419 less
Foreign countries.. .. 15,533,923 less

Total loss.. .. .. ..$15,705,342

(c) Paper and manufactures of paper—
To British Empire.. .. ..$ 6,502,754 less
Foreign countries.. .. 59,631,357 less

Total loss.. .. .. ..$66,134,111

Grand total loss in exports of timber products, $118,008,438.

Information about home consumption presumably not available.

Vegetable Oils

Duties have been imposed under the intermediate and general tariffs, in the hope that the preferences will divert at least a part of this enormous trade into empire channels. (Mr. Bennett, October 12, 1932, Hansard, p. 113.)

1933 exports compared with 1930

To British Empire..	$ 3,027 less
Foreign countries.. ..	57,302 less
Total loss..	$60,329

Chemicals

The Canadian schedule has been revised from end to end with one objective always in view: the shifting from foreign to empire channels of the great and growing business in these indispensables of domestic and industrial economy. The immediate diversion will be great; the potential, incalculable. (Mr. Bennett, October 12, 1932, Hansard, p. 113.)

1933 exports compared with 1930

To British Empire..	$1,010,545 less
Foreign countries.. ..	2,705,921 less
Total loss..	$3,716,466

Minerals and Mineral Products

I mention these because they indicate that with respect to our great undeveloped mineral fields, we have been afforded by the agreement an opportunity for development and expansion which is limited only by the capacity of our people to exploit the great natural resources which Providence has given us. (Mr. Bennett, October 12, 1932, Hansard, p. 124.)

1933 exports compared with 1930

(a) Iron and steel—	
To British Empire..	$10,639,380 less
Foreign countries.. ..	14,743,193 less
Total loss..	$25,382,573
(b) Non-ferrous metals—	
To British Empire..	$ 8,534,922 more
Foreign countries.. ..	54,960,923 less
Total loss..	$46,426,001
(c) Non-metallic minerals (except glass)—	
To British Empire..	$1,383,142 less
Foreign countries.. ..	8,082,395 less
Total loss..	$9,465,537
(d) Glass and glassware—	
To British Empire..	$87,119 less
Foreign countries.. ..	568 less
Total loss..	$87,687

Grand total loss in the exports of minerals and mineral products, $81,361,798.

Decrease in 1933 exports compared with 1930

Dressed beef..	$ 672,534
Sheep, lamb and mutton.. ..	40,329
Leather..	1,937,418
Dairy products..	5,565,125
Vegetables..	5,504,758
Grain..	81,487,013
Fishery products..	11,637,453
Timber products..	118,008,438
Vegetable oils..	60,329
Chemicals..	3,716,466
Minerals and mineral products	81,361,798
	$ 309,991,661

[Mr. Pouliot.]

Is the increase of $11,504,428 in exports a compensation for a decrease of $309,991,661 in British and foreign exports on those Canadian products?

Home consumption year 1932-33 compared with 1930-31

Dressed beef, 89,161,967 pounds less; sheep and lamb, 4,845,080 pounds more; leather, $18,318,887 less; dairy products, 20,841,926 pounds less; peas, 973,616 bushels less; potatoes, 2,284,769 hundredweight less; fish products, $21,847,107 less; grain, 89,403,558 bushels less; wheat flour, 1,689,000 barrels less.

Sir, it is pretty hard for the house to understand the full meaning of figures read so hastily, until they appear in Hansard, but I wish to conclude thus. I have in my hand a book written by a very distinguished member of the press gallery, Mr. Léopold Richer. It is entitled Marché de Dupes? or A Fool's Bargain? This is the only way to describe the agreements of the Ottawa conference. I will say no more, I leave the figures to speak for themselves. I do not wish to offend anyone but it is a crime to burn incense before the right hon. Prime Minister by telling him that his policy has been a success, when taking one by one the summaries he has given to the house we prove that they mean not only a loss in exports but also a decrease in home consumption. The facts are there; what I have said is not based on imagination; it is not a tale I have told to the house, I have obtained the figures of exports and imports from the bureau of statistics. I have worked on them for three or four days; now I hope there are some gentlemen on the other side of the house who will tell the Prime Minister that he has shot his bolt and it is time for him to remove himself gently from the picture. We might wait another year, for an election—provided that the Conservative party and the government select another leader—and try the administration for a year longer under that new leadership.

Mr. J. S. WOODSWORTH (Winnipeg North Centre) I move, Mr. Speaker, seconded by Mr. Gardiner, that the following words be added to the motion:

We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will ensure to the farmer a decent standard of living.

The position of a third group in the house is a somewhat difficult one. If we vote nonconfidence in the government it may be interpreted as indicating that we have confidence in the official opposition. But such is not the

case. Hence the subamendment which we introduced at an earlier stage of the debate, which however, was declared out of order. We now seek to place our position before the house.

May I point out that when we vote against the government we do not necessarily reject or disapprove of all the measures mentioned in the speech from the throne. We recognize that there are some good measures indicated in that speech, some things that we may approve. When the legislation is actually brought down and we understand more fully the details of it we may be inclined to vote for certain measures proposed in that speech. But on the whole we feel that the proposals are altogether inadequate to meet the situation with which we find ourselves confronted at the present time. Hence while we join with the official opposition in voting for their amendment, we now put forward our own amendment, and possibly they may reciprocate by voting for it.

Mr. BENNETT: The family will get together.

Mr. LAPOINTE: It is a good amendment.

PRIVILEGE—MR. COOTE

Mr. G. G. COOTE (Macleod): Mr. Speaker, a question of privilege; would you permit me to say that I was paired to-night with the hon. member for Queens (Mr. McLure). Had I voted, I would have voted for the amendment.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 14, 1934

The house met at three o'clock.

LIBRARY OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs: Barber, Bertrand, Bourassa, Boyes, Butcher, Carmichael, Charters, Chevrier, Cotnam, Dubois, Dupuis, Factor, Ferland, Fontaine, Fortin, Fraser (Cariboo), Gagnon, Girouard, Guthrie, Hepburn, Irvine, Jones, Laflèche, Larue, LaVergne, MacMillan (Saskatoon), McGillis, McGregor, McIntosh, Marcil, Peck, Perley, Sir George, Pouliot, Quinn, Rhéaume, Short, Smoke, Stirling, Thauvette, Thompson (Simcoe East), Thompson (Lanark), White (London), Wright, a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the select standing committee on printing, viz., Messieurs: Anderson (Halton), Baribeau, Belec, Boulanger, Bourgeois, Brasset, Charters, Desrochers, Dubois, Embury, Esling, Factor, Fortin, Girouard, Gott, Gray, Hay, Heaps, Howden, Lucas, MacLean, Maloney, Marcil, Matthews, McKenzie (Assiniboia), McLure, Moore (Chateauguay-Huntingdon), Munn, Murphy, Parent, Peck, Perras, Pickel, Porteous, Price, Quinn, Rhéaume, Rinfret, Roberge, Robinson, Rowe, Ryerson, St-Père, Short, Simpson (Simcoe North), Spankie, Spencer, Spotton, Taylor, Tétreault, Verville, Wilson, Woodsworth, Wright, will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

PARLIAMENTARY RESTAURANT

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

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs: Ahearn, Barrette, Black (Halifax), Carmichael, Garland (Carleton), Hanbury, Howard, Howden, Laflèche, Macphail, Miss, Mitchell, Mullins, Ryerson, Senn, Spankie, Spence, Sproule, Taylor, Thauvette, a committee to assist His Honour the Speaker in the direction of the restaurant, so far as the interests of the House of Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

PETITIONS

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I beg to lay on the table of the house a number of petitions from citizens, strongly protesting against a tax of 20 cents per pound on the sale of leaf tobacco. Attached to these petitions are resolutions passed by various muni-

cipal councils such as those of the parishes of St. Gérard Magella, St. Jacques de l'Achigan, L'Assomption, St. Marie-Salomée, Epiphanie, Repentigny, St. Alexis de Montcalm, the city of L'Assomption and others. These petitions are signed by thousands of citizens from the parishes of St. Jacques de l'Achigan, St. Henri de Mascouche, Epiphanie, St. Charles de Lachenaie, St. Esprit, St. Alexis, and other parishes of the county of L'Assomption-Montcalm.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MR. EDGAR BOUTET

Mr. POULIOT:

1. Is Mr. Edgar Boutet employed in the Post Office Department?

2. If so: (a) on what date and to what position was he appointed; (b) what are his duties; (c) what is his salary; (d) has he passed the Civil Service Commission examinations; (e) if not, on whose recommendation, by whom and how was he appointed; (f) has he access to the files of the Post Office Department; (g) is he a temporary or permanent employee?

Mr. DUPRE (for Postmaster General):

1. Yes.

2. (a) and (b) 1st December, 1933, secretary to executive.

(c) $2,100 per annum.

(d) No. Unnecessary.

(e) Recommendation of the minister; by order in council.

(f) Yes.

(g) Temporary.

TABLE OF PRECEDENCE

Mr. SEGUIN:

1. Who prepares the list of precedence for Canada?

2. Is such a list prepared in Canada; if not, why not?

3. Is it the intention of the government to establish a list of precedence for Canada and have it prepared by Canadian authorities, taking into account the special conditions of our country?

Mr. CAHAN:

1. It is the prerogative right of His Majesty the King to confer upon his subjects in any of His Majesty's dominions such rank and place as to His Majesty "may seem meet and convenient."

The first table of precedence for the Dominion of Canada was prepared at confederation.

[Mr. Séguin.]

A revised table of precedence, bearing date November 3, 1879, was published in the Statutes of Canada for 1880 (43 Victoria, p. xxii).

An amendment to the table of precedence, bearing date December 29, 1893, was published in the Canada Gazette of January 20, 1894, at page 1224.

The table of precedence as finally revised, bearing date December 3, 1923, was published in the Canada Gazette of December 23, 1923, at pages 2075 and 2076.

2. I presume that in the preparation of the last revision of the table of precedence, bearing date December 3, 1923, the Right Honourable W. L. Mackenzie King, then Prime Minister of Canada, had the responsibility of advising His Majesty.

This table of precedence applies exclusively to subjects of His Majesty resident in Canada. Subjects or citizens of foreign states, temporarily resident in Canada, have, in two instances, been given places, by courtesy, at government functions in Canada.

When an apostolic delegate of the Holy See was first sent to Canada in 1899, the late Sir Wilfrid Laurier arranged for this delegate, by courtesy, a place next to lieutenant-governors of provinces and precedence over the prime minister of Canada.

In 1927 the Right Honourable W. L. Mackenzie King, then Prime Minister, directed that ministers plenipotentiary, accredited to Canada by foreign states, should, by courtesy, have place next after the prime minister of Canada; and that the apostolic delegate of the Holy See should have place after ministers of foreign states. Since that date no change has been made in the table of precedence.

3. This government, while holding office, must accept responsibility for advising His Majesty in the exercise of his prerogative rights in conferring upon his subjects in Canada such rank and place as to him "may seem meet and convenient."

PUGWASH, N.S., WHARF

Mr. ILSLEY:

1. How much money was received by the Department of Marine between May 1, 1933, and December 31, 1933, inclusive, for wharfage at the wharf at Pugwash, Nova Scotia?

2. What were the names of the vessels that paid this wharfage?

3. How much money was collected and paid for wharfage to the Department of Marine during the season between May 1 and December 1, 1933, inclusive, at Pictou, Nova Scotia?

Mr. DURANLEAU:

1. Gross collections, $905.07; remitted to the department, $609.95.

2.

	Side wharfage	Top wharfage
Svend Pii..	$ 28 00	
Fidiclo..	46 00	$101 45
Erland..	50 00	38 44
Solar..	12 00	66 57
Siak.	10 50	40 93
Biran..	9 00	37 48
Filadgo..	12 00	58 86
Gwinlland..	26 00	68 31
Don.	24 00	
M. Walton.	27 00	95 14
Julianne..	20 00	133 39
	$264 50	$640 57
Total..	$905 07	

3. Amount collected by wharfinger, $2,358.02; amount remitted to Department of Marine, $1,788.75.

DISMISSALS OF TRANSLATORS

Mr. DESROCHERS:

1. How many permanent or temporary translators have been removed or dismissed from the public service since August, 1930, up to now, stating their names, the department or the house where they were employed, and their respective titles or ranks and salaries?

2. How many of those removed or dismissed translators have been replaced by new translators, stating respectively the names, ranks, titles, and salaries of these new translators?

Mr. CAHAN:

Civil Service Commission—

1. One—J. R. A. Baril, head examiner and translator, position abolished on December 1, 1932, salary $4,320 per annum.

2. No replacement.

Finance—

1. One—J. M. Lorans, principal translator, salary $3,000, died 1933.

2. No replacement.

Immigration and Colonization—

1. One—Miss H. Williams, permanent translator, salary $1,860 per annum, retired October 25, 1933.

2. No replacement.

Interior—

1. Five.

Name—Classification—Salary

Miss J. Taillon, translator, $1,620; Miss M. Tremblay, senior translator, $2,400; Miss M. E. Reynolds, senior translator, $2,400; J. Schuller, principal translator, $2,760; J. F. Renault, principal translator, $3,000.

Miss J. Taillon was later employed as a temporary translator in Dominion Bureau of Statistics. She died November 5, 1931.

2. No replacements.

Marine—

1. One—removed by death; Louis Paul D'Ornano, head translator, $3,420 per annum.

2. No replacement.

Trade and Commerce (Dominion Bureau of Statistics—

1 and 2. H. P. Arsenault, temporary translator, salary $1,440 per annum, retired June 23, 1931.

Miss Josephine Taillon, temporary translator, salary $1,440 per annum, replaced Mr. Arsenault. She has since died.

Miss M. Drouin, permanent translator, salary $1,860, retired January 1, 1934; temporarily replaced by loan of Miss Y. Beaudry, of Agriculture department, translator, salary $1,560 per annum.

House of Commons—

1. One permanent and five temporary as follows: Lemont, A., House of Commons, parliamentary translator, $3,480 per annum. Superannuated May 1, 1932, and replaced by E. J. Duchesnay, House of Commons, parliamentary translator, $2,640 per annum. Mr. Duchesnay was formerly a temporary translator at $7 per diem in House of Commons and had been released on February 1, 1932.

Temporary—

Barrette, R., House of Commons, temporary translator $7 per diem. Released February 1, 1932.

Michaud, C., House of Commons, temporary translator $7 per diem. Released February 1, 1932.

Belanger, E., House of Commons, temporary translator $7 per diem. Released February 1, 1932.

de Martignay, P., House of Commons, temporary translator $7 per diem. Released February 1, 1932.

2. Answered by No. 1.

INADEQUATE RELIEF FOR PENSIONERS

Mr. SULLIVAN:

1. Has a resolution of the non-affiliated veterans of Canada, No. 1 Branch, 1877 Wellington street, city of Montreal, relative to the matter of inadequate relief for low rate pensioners in the district of Montreal, been brought to the attention of the government?

2. Has such a case of inadequacy been proven to the Deputy Minister of Pensions?

3. Will the government call an investigation of the situation of the non-affiliated veterans of Canada?

Mr. MacLAREN:

1. Yes.

2. No.

3. An investigation has been made by departmental officials.

*CANADIAN PACIFIC RAILWAY—LOAN

Mr. RAYMOND:

1. Before guaranteeing the loan of $60,000,000 granted to the Canadian Pacific railway, has the government inquired as to the purpose of this loan by the company, or to what end this loan was made?

2. Has it inquired, or has it been informed of the amount due by the Canadian Pacific railway to the Bank of Montreal, and on what date?

3. If so, what was at that time the amount due to the Bank of Montreal by the Canadian Pacific railway?

Mr. BENNETT: I mentioned that matter the other day in connection with a similar question. The observations I then made apply to this as well. Since then an order has been passed for a return of the correspondence. I do not think the question should be answered as it stands.

Question dropped.

TOBACCO EXPORTS

Mr. SEGUIN:

1. What quantity of Canadian tobacco was exported to the United Kingdom, each year, during the five years preceding the Imperial conference?

2. What quantity of Canadian tobacco was exported to the United Kingdom for the year since the Imperial conference?

Mr. STEVENS:

1 and 2.

Canada's Domestic Exports of Tobacco in Pounds, to the United Kingdom; (a) Five Years Preceding the Imperial Conference, and (b) Year Since the Imperial Conference

Periods	Total Domestic Exports Pounds	Unmanufactured Tobacco Pounds	Stems and Cuttings Pounds	Cigars Pounds	Cigarettes Pounds	Plug and Twist Pounds	All other Tobacco Pounds
Calendar Years		(a) Five years preceding the Imperial conference					
1927..	5,859,472	5,859,120	——	84	76	——	192
1928..	6,141,064	6,133,481	6,100	111	1	1,069	302
1929..	5,812,602	5,809,207	2,900	180	60	——	255
1930..	4,021,719	3,976,017	45,300	88	3	4	307
1931..	6,223,165	6,220,917	2,100	4	12	20	112
Calendar Year		(b) Year since the Imperial conference					
1933..	13,732,320	13,722,531	9,600	2	117	20	50

SCOTSBURN NO. 2 RURAL MAIL CONTRACT

Mr. URQUHART:

1. What are the names of the parties who tendered for the mail contract for Scotsburn No. 2 rural mail route, Pictou county, Nova Scotia, when the last contract was awarded?

2. What was the amount of each tender?

3. To whom was the contract awarded and at what price?

Mr. DUPRE:

1 and 2. Fraser Campbell, $800; Daniel M. McKay, $1,080.

3. Daniel M. McKay at $798 per annum. Post office inspector visited district and found Fraser Campbell not suitable. His sureties refused to act. McKay later reduced his tender to $798.

PELAGIC SEALING TREATY

Mr. PLUNKETT:

1. Has the Pelagic Sealing Treaty of 1911 between the United States of America, Great Britain, and Canada, expired by time limit?

2. If so, what was the date of such expiration?

3. Has there been any action taken towards a renewal of such treaty on terms more favourable to Canada?

4. What was the approximate number of seals in the herd of 1912?

5. What was the approximate number of seals in the herd for the last available calendar year?

6. Did the United States pay Canada in cash last year or did Canada except raw pelts in payment of her claim for 1933?

7. In what cities or markets of the world are the pelts sold or disposed of?

8. Has Canada the privilege of either accepting the raw pelts or a cash remuneration?

9. What cash payments were received by Canada for the calendar years of 1931-32, 1932-33, and 1933-34?

10. What is the total amount received by Canada under the terms of the Pelagic Sealing Treaty from 1911 to the last calendar year of 1933, inclusive?

11. What was the cost of the judicial inquiry which was appointed under Mr. Justice Audette

[Mr. Sullivan.]

to settle the claims of those who were engaged in the sealing industry?

12. What was the total sum paid to such claimants by the award of Mr. Justice Audette?

Mr. DURANLEAU:

1. No.
2 and 3. Answered by No. 1.
4. 215,940 in the American herd.
5. 1,219,961 in 1932.
6. Canada accepted the pelts.
7. London.
8. The treaty provides that Canada is to receive fifteen per cent of the pelts; but for a number of years prior to 1933 the arrangement with the United States Government was that it should process and sell all the skins and account to Canada for fifteen per cent of the net proceeds.
9. 1931-32, $44,471.94; 1932-33, $2,583.53; 1933-34 (to date), $12,717.63 (fiscal years).
10. Cash payments received from the United States government to December 31, 1933, $1,074,030.58.
11. $35,546.93.
12. $60,663.75.

QUESTION PASSED AS ORDER FOR RETURN

ROYAL CANADIAN MOUNTED POLICE—PRINCE EDWARD ISLAND

Mr. MacLEAN:

1. What is the name, headquarters, rank and salary of all land officers of the Royal Canadian Mounted Police, in Prince Edward Island, for the period, April 1, 1933, to December 31, 1933?
2. What is the total amount of monthly expenses for salaries, uniforms, stationery, rent, travelling expenses, car repairs, gasoline, new cars, etc.?
3. What officer or officers' family had medical attention during the period, April 1, 1933, to December 31, 1933, and if admitted to a hospital, what hospital, what amount was paid to same, what are the names of physicians attending, and what amount was paid in each case?
4. What is the amount received from the local government for local police work?
5. What is the amount received by the Royal Canadian Mounted Police officers for mileage, serving summons and attending court in connection with trials?
6. What is the amount received from prohibition commission in connection with prohibition prosecutions?

PENITENTIARIES

SPECIAL COMMITTEE TO STUDY CAUSES OF CRIME AND TREATMENT OF CRIMINALS

Miss AGNES C. MACPHAIL (Southeast Grey) moved:

That, in the opinion of this house, a special committee should be set up to investigate the causes of crime and to determine whether the penitentiaries of Canada are doing all that could be done towards protecting society by the reforming of the criminal.

She said: Mr. Speaker, first I wish to thank the Minister of Justice ((Mr. Guthrie) and the house for their kindness for allowing the resolution which stands in my name to keep its place on the order paper, contrary, I believe, to the rules of the house. I am not usually one who is interested in receiving special privilege, but in this case I am only too glad that the resolution is first on the order paper, in order that we may this year discuss this question, which is becoming each year more important. And I think if special privilege is to be extended by the house, there is no group to which it could better be extended than those who are hidden away in a little world of their own, a world that I think is sometimes too hard and too difficult.

Perhaps there has not always been the interest in the subject of our prison population that there should have been. As well as accusing others in the house of neglect in this matter I plead guilty myself to failure to take a sufficient interest in the fate of our fellow-citizens who are for the time being in penitentiaries. But this year there has been a considerable awakening of interest in the subject. Among the reasons for this is the fact that serious riots occurred in some penitentiaries in Canada, and, particularly following the riot in the Kingston penitentiary, rather spectacular trials were conducted, in which accused rioters were represented by W. F. Nickle, K.C., of Kingston, and Mr. Frank Regan of Toronto. Following that came the publication of a series of articles entitled The House of Hate in Maclean's magazine and a book, The Shackling of the Transgressor, first published day by day in the Toronto Globe and later in book form. I want to say that I feel a debt of gratitude to Maclean's magazine and to the Globe and to these two men, one a broker and the other a doctor, who had served terms in the Kingston penitentiary. I feel that, being men of education, having been one with us in the world outside; then serving a penitentiary term and telling their story to the world on coming out, they have done much for the inmates of the penitentiaries. I think there is another reason too why there is increased interest,—although it is not very manifest at the moment, Mr. Speaker—and that is because the number of prisoners in Canadian penitentiaries is increasing. In 1923 the number was 2,582 and the cost of maintenance $1,995,760, while for the year ended December 31, 1933, the number of prisoners was 4,225 and the cost of maintenance $2,941,-

400. So there has been a considerable increase both in number and in cost. Then people who are interested in youth are now distressed to find that a very large proportion of this number are very young, a large percentage,—I have not the exact figure but I know it is high,—are under twenty-five years of age. And when one thinks that on the outside there are great numbers of young people, perhaps one should say particularly young men, roving about without work, restless and discontented, one can see how concerned every one must be in the matter of the return to society of the youths who have been convicts in a better frame of mind than that in which they entered these institutions of punishment.

I worded the resolution as I did, asking that a special committee of the house should be set up to investigate the causes of crime and determine whether the penitentiaries of Canada are doing all that could be done towards protecting society by the reforming of the criminal, because I felt that if a special committee of the House of Commons were set up it would mean that quite a number of the members of this house would make a careful study of the causes of crime and of the administration of the penitentiaries. Having done so they would not lose interest in the subject, and since they would still be members of this chamber I felt that the interest that began in the committee room would be carried into the House of Commons and, I would hope, into legislation.

It is not that the condition of the penitentiaries has not been investigated. In 1914 a royal commission investigated Canadian penitentiaries because of great dissatisfaction existing at that time. They brought in a very excellent report, which I read through yesterday, and I am very sorry to say that many of the recommendations made by that commission as long ago as 1914 have not yet been implemented. Then, possibly because that was so, and because there was a great deal of dissatisfaction, a small committee that in its nature seems a good deal like a royal commission, was named in 1920 by Hon. Mr. Doherty, then Minister of Justice. That small committee, which was a roving committee and travelled extensively, had as members O. M. Biggar, K.C., W. F. Nickle, K.C., and P. M. Draper. They made a report, which is the best thing on penitentiaries that has ever been published in Canada. They gave a plan for the carrying out of the reformation of the criminal rather than only punishing him. I am sorry to say, however, that very few of the recommendations made by them—some it is true—have been put into effect.

I do not intend to go into the subject extensively, that would be too much to try to do in forty minutes, and I do not feel quite equal to covering the whole field, but I want to open it in order to give members who are interested a chance to debate the question. One can say without fear of contradiction that the Penitentiary Act is founded on vengeance, and that while that is so the reforming of criminals cannot be accomplished by its administration. Admittedly the administration is better than the act; it was admitted both by the royal commission and by the Doherty committee that the administration of the act was better than the act itself, and that the act was often honoured more in the breach than in the observance. To substantiate that statement I should like to quote briefly from pages 10 and 11 of the Doherty committee report, and I am very sorry to say that so far as I have been able to find out this is the last copy of the report that is available.

> The earliest attempts in the direction of a criminal procedure looked merely to the regulation of personal revenge. Later the state assumed the duty of avenging crime and forbade any direct intervention by those who suffered from it; but the revengeful character of punishment has persisted and the penitentiary system still bears the earmarks of its origin—

Again, on page 11 they say:

> Almost all the inmates of the penitentiaries must before they die be returned to freedom, and each prisoner on his release will be called upon to live the ordinary life of a free man. Society therefore must inevitably suffer, if during his term a convict's spirit has been broken, if his habit of industry, if it existed, has been suppressed, and to the extent that his morals have been corrupted by prison associations. It is also true, of course, that the convict himself suffers, but that consideration does not for the present purpose appear to be of primary importance. He has been guilty of a crime which, if he had lived a century ago, he would probably have expiated on the scaffold. That there should be suffering is inevitable, but it is ridiculous that society should store up trouble for its honest members, weaken itself, and involve itself in large and unnecessary expenditures.

That is my attitude. I do not think we should expect that there would not be suffering on the part of the convict; there must be, but there is suffering that will be beneficial and suffering that will be a continual humiliation and irritation, which would not help the convict to come out of the penitentiary wanting to be a better citizen, but which would rather help him to come out with the feeling that he wanted to avenge himself on society.

A very interesting study of youthful offenders or research has been made in Canada, the closest thing we have had to a scientific study of the question. The report is published by the Canadian Council on Child Welfare, but it was written by Frank Sharpe, Esq. I do not want to take time to give the names of the very eminent people who served on this research committee, but they worked in conjunction with Brigadier General Hughes. They chose fifty-six boys who had been sentenced to penitentiaries prior to the end of the twenty-second year of their life. This is a very interesting pamphlet, and in their conclusion they say:

> Our old methods were founded on vengeance, and it is only so far as we frankly acknowledge that this is still their foundation that they have the slightest claim to our respect. If it be vengeance we are after then let us go ahead as we are. It can then matter little whether we injure society or not, for vengeance must always be blind to other interests. But then if we are to continue with these methods let us give over our hypocrisy; let us stop talking about the reform of the prisoner and the protection of society.

The names of those who served on the committee are outstanding; they cover a wide range, including psychiatrists, trained social workers, a professor of psychology and so on.

In my opinion crime is a disease of society, and it is not fair to wreak the whole results on the head of the criminal himself. Many, and in fact most, I think, of our criminals are either badly born or badly reared or both, and they have had very little chance to make good. I think heredity and environment determine what we are, and we have been luckier than they. I remember that when I visited Kingston penitentiary I was invited to address the women prisoners. I may have told you before that this was the hardest thing I have ever had to do in my life, but as I faced those women I did not feel myself different from them; I simply felt that I had been in much more fortunate circumstances. I feel, too, that economic conditions play a great part in determining whether we will have a large or a small crime problem. This royal commission of 1914 used a remarkable sentence in its report: it said:

> The fact is that the more closely the treatment of the prisoner approximates the treatment of the free man, the less likelihood is there of individual or organized outbreaks of violence.

I think that is true; I think if from 1914 on the Penitentiaries Act, the regulations and the administration had been woven around that central idea we would not have had the penitentiary riots which we did have last year.

Now I am going to take a short time to point out some of the things that obviously must be done, things that we all know and as to which there can be very little argument. One is that when a prisoner is entering the institution there should be a very careful examination made not only in regard to his physical and mental health but also to determine his interests and training, if any. Then an effort should be made, using sound educational principles and starting from where the prisoner is, to lead him out into a better place. I do not think that can be done by unskilled people. It does not make any difference what splendid intentions the warden might have; unless he or someone acting with him is a trained psychiatrist, a skilled doctor, knowing something about criminology and sociology, there is very little the warden can do to save the prisoner from himself.

Another point is one which I have argued in the house already; it was accepted by the house, but was never acted upon. It is this: Once the prisoner is received and classified by someone who understands the why of human behaviour, then he should have work, not only monotonous and uninteresting work but work that he likes to do, and if he does not like to do any work every effort must be made to induce him to like some sort of work. Some years ago I argued in this house that prisoners should be paid for their work, that the cost of their maintenance should be taken out of their pay and the balance either allowed to accumulate for the prisoner on his release or go to maintain his family during his term in the penitentiary. That position has been taken by the Canadian Bar Association; I have in my hand the report of the committee on the administration of criminal justice, which report was adopted by the association. The same position was upheld by Brigadier General Hughes in report after report, which I placed on Hansard previously. Year after year, starting in 1919 and continuing until he retired, General Hughes took that position. The same attitude was taken by Alfred E. Smith when he was governor of the state of New York and by the superintendent of the United States federal institutions that correspond to our penitentiaries.

There is no doubt at all that the man who is in a prison and is no longer in any way responsible for his family is apt, if he is a good type, to feel disgraced and, if he is not a good type, to feel relieved. In either case it is very much better for him if the responsibility for his family remains his own, and if he knows that by his own work he can discharge it. I recall how often in this House of Commons it was said that organized labour

was against such procedure. That is not so, as is shown by a long statement written by Tom Moore, president of the Trades and Labour Congress of Canada and addressed to Brigadier General Hughes. I am not quoting from it, because I have done so on a previous occasion, and any hon. members who wish may obtain it and read it for themselves. On the occasion I debated this subject in the house I had letters from mayors and heads of municipalities who said they hoped very much that not only would the house adopt the resolution, but that it would implement it, because they were always asking to have prisoners released not because those prisoners had not committed a crime but because the municipalities did not want to be saddled with the responsibility of caring for a prisoner's family. I have a letter in my possession, one which I prize very much, which was smuggled out to me from the penitentiary at Kingston immediately following the last debate on this subject in the House of Commons. One paragraph of the letter is as follows:

> It is peculiar to note that in such institutions as the Ontario reformatories at Guelph and Burwash a wage is paid to the men although the revenue produced by these institutions is negligible while the penitentiaries, which do produce considerable revenue and could be made to produce a great deal more, pay no wages at all but turn a man loose with only $10 dollars with which to face the world in his uphill fight for rehabilitation. What is this to a man who has no place to go, and not so much as an extra collar or handkerchief to his name? He must obtain employment, not through outside assistance but by his own unaided efforts, and the very clothing he wears which stamps him indelibly as an ex-convict is an impediment to his success. How much greater his chances would be if he had a small sum of money as a result of his own labour with which to provide himself with suitable clothing and thus restore his self confidence without which failure is almost inevitable.

In the reports of both the commissions to which I am constantly referring, namely the royal commission of 1914 and the Doherty committee of 1920, work with pay was recommended, and the Doherty committee went so far as to say that if action were not taken there were certain circumstances, taking into account the time of year, under which a prisoner should be given $25 instead of $10 on release. Any hon. members who have read Shackling the Transgressor by Doctor Withrow, will notice that he as well has dealt with this matter. That is all I am going to say about work with pay. I feel the subject does not need to be argued before an intelligent body such as the House of Commons of Canada.

[Miss Macphail.]

Then, may I say a few words concerning the health of convicts. I have talked to a great many men who have served sentences in the various penitentiaries. Particularly those who come from Kingston say, and are saying up until the present time, that men who are clean and those who are unclean have their clothing washed at the same time and place, and that the men who are in good health are always terrified lest they should catch some loathsome disease from those who are not. They say that in the barber shops there is no real effort made to sterilize the instruments used and so to save the healthy from the unhealthy. It is true, also, that tubercular patients are allowed to mingle with their fellow convicts. I am expecting this statement to be denied, but may I say that it need not be because I happen to know very well a man who is sentenced to a five-year term in Kingston penitentiary, a man who is a one hundred per cent pensioner, is very ill from tuberculosis, had hemorrhages as long as three or four years ago and for several months after that time was in a military hospital. He is a man with a fine social outlook and very much better than a great many people I know who are not in the penitentiary. I know him well.

Mr. JACOBS: Will the hon. member give us the names of those she knows who are not in?

Miss MACPHAIL: It would take too long; I want to finish in forty minutes. Anyone who is familiar with the construction of penitentiaries, or has visited one of these buildings, knows how bad a place it is for those suffering from tubercular trouble, because it is very difficult for them to get direct sunlight and almost impossible to get fresh air—probably I should say more or less fresh air. As the cells are constructed the windows are at such a distance from the floor that fresh air and light are of very little use to the sufferers and this was the condition in the case I have mentioned.

Probably the matter I am about to discuss should not come under the heading of health, but I shall discuss it from that viewpoint. I remember very well when the hon. member for Quebec East (Mr. Lapointe) was Minister of Justice I asked him a question regarding shackling to the bars. On that occasion he told me that at that time when a prisoner was shackled to the bars his hands were never placed higher than his waist. I feel sure Mr. Lapointe believed in the accuracy of his statement, just as I would believe that the present Minister of Justice was sincere if his answer were the same. It just happens however that that is not true. Shackling to the bars means

shackling the prisoner to bars with his hands anywhere from a point waist high to stretching them as far above his head as they can be stretched. More often they are high above his head than on the level of his waist.

To prove that point may I quote from the report of the Doherty committee. I realize I do not need to do it, but probably some hon. members may think I should. At page 47 I find:

> Again, the committee was assured by one warden that the punishment of shackling to the cell gate was never executed with the hands higher than the waist, and was indeed informed that it was so limited by regulation, but instances were found of convicts who had undergone the punishment with their hands fastened as far above their heads as possible.

That was told me by convict after convict who came out. I would have believed it anyway but I must believe it when I read it here, read it again in the report of the royal commission and in Doctor Withrow's book. So there is no use saying that it has not been so up until now; whether or not that condition exists now we may possibly learn later.

I am not going to take time to deal with paddling other than to say that I think the right that the warden has enjoyed, and this seems a curious word to use when we think of paddling, has been abused, and that the wardens have in far too many cases, and in many of our Canadian penitentiaries, paddled prisoners for very slight offences. In fact, paddling has been given for acts which were hardly offences at all. Then, anybody who has read this book will remember about the poor fellow who had the withered arm. The prison authorities wanted to take his arm off, but he did not want them to. He said it was his arm and that he did not want it off. Because of that he was paddled. After all, paddling has been given for offences much less than that.

At this time there is supposed to be no dungeon in Kingston—it disappeared very suddenly. There was one for a long time, and then suddenly we find there was not one. The superintendent of penitentiaries made the statement that there was no longer a dungeon. That statement was discredited by Mr. Nickle, Junior, of Kingston, who went with the superintendent into the dungeon. He found that when the door was closed it was a dungeon, but not when the door was open. Since the doors open so that they are right along the wall and might not be noticed by a person who was not familiar with the construction it might be that some of the ministers who went there and said there was no dungeon could have been mistaken. They should have gone in, closed the door and tried staying there for twenty-four or forty-eight hours' time. Probably at the end of that time they would have changed their minds.

Then, may I make some comment concerning bread and water, or starvation as a means of punishment. The Doherty committee made a report in this connection, and from page 47 I read the following:

> For example, the regulations limit the diet of bread and water to "not exceeding twenty-one consecutive meals," but the committee found one instance in which a convict had been kept upon that diet for several weeks, only one full meal a week being given him, the rule thus being observed in the letter but flagrantly broken in the spirit.

I talked to one of the lawyers who defended the convicts after the recent riots, and he told me that a man who in the papers was reported to have been in solitary confinement for twenty-three years was an object of such terrific pity that the lawyer, after seeing him and trying to hear him—because his voice had almost gone and he could hardly be heard—almost despised mankind, and thought it could not be possible for a human being to be reduced to such a state. And that is not a long time ago; it was just last summer. To use the lawyer's own words, this man was "a poor broken thing."

Another thing that helps to break the spirit of the strongest and the best in the penitentiaries, and I do not think it is even used as punishment, is the long, long hours of confinement in their own cells, from five o'clock on Saturday through Sunday night with almost no break at all except possibly half an hour for religious service. Conditions may be slightly better in that respect now, and I shall be glad to learn that they are. Both these reports from which I have quoted say that all the penitentiary authorities agree that the men on Monday morning showed the suffering through which they had passed. I will quote one or two sentences:

> The committee has been impressed by the unanimity of penitentiary officers on the subject of the depressing effect of long continued confinement of convicts in their separate cells. Many of them have referred to the hardship imposed by the continuous solitude between four or five o'clock in the afternoon and six or seven o'clock the following morning, and the superintendent stated that, when this confinement was continued from Saturday over an intervening Sunday and a following public holiday, it was easy on the Tuesday morning to observe the marks of suffering. At some penitentiaries half a day's labour is done on a statutory holiday following a Sunday, but this is not universal, and the following general regulation is consequently recommended.

This was the recommendation of the committee in 1921:

On any day, whether a Sunday, public holiday or other day, upon which at least a full half day's labour is not performed by any convict fit for work and not in isolated confinement under these regulations, such convict shall be permitted to be out of his cell during such day for at least three hours, of which at least one and one-half hours shall, weather permitting, be passed in the open air in such proper recreation as the convict desires, but under necessary supervision.

I shall not take time to go into the question of hospitals as that may be dealt with by some who speak after me, and it would take some time if I entered upon the subject at all. When one thinks of a hospital one thinks of a room with comfortable beds, and not cells, but until very recently if a convict was ill no one could get to him from the time he was locked in at night. The cells were all locked up until the morning, regardless of how bad he was. There were exceptions, but they were so rare that one does not need to stop to enumerate them. More than one prisoner has died locked up in his cell alone with no one able to get near him.

Another thing I feel is that in this advanced and enlightened age in which we are living, education ought to be stressed in the reformation of those who have sinned against society, but all the time that is allowed for that purpose is at the very outside forty minutes. The men have to eat their dinner, have their class, and get back to work within one hour, and if they are the last man to get their tray and are late getting into their cell, they may have only twenty-five minutes, but it could not be more than forty minutes at the outside. No doctor and no one who has ever taught school would say that it was much use trying to teach people anything that requires the use of their heads when their stomachs are busy attempting to digest the food they have just eaten. That is really quite an example of the foolishness of the whole penitentiary administration. Not that I am blaming this administration, but the act itself and the regulation. I cannot think of a stupider time to have a class than immediately after dinner when the men have worked hard at manual labour all morning.

Undoubtedly public opinion is changing in regard to the treatment of prisoners. While the prisoner must be punished, and must understand and submit to discipline if he is mentally fit, and if he is not he should not be in the institutions I am discussing, yet people are beginning to see that while all that is true, while society must be protected and the offenders punished, unless they come out with a social consciousness, society is really punishing itself rather than punishing the criminal. There is a changed viewpoint which up until now has not expressed itself in legislation, regulations or administration.

I am not going to deal with the question of parole, which is a big subject, or with the reinstatement of the prisoner in civil life. At no time does the prisoner need help more than when he is being released from the institution, and if society were attempting to protect itself, it is then that we should give all the help we can, not for the sake of the prisoner, if you like, though personally I do not desire to say that, but at least for the sake of society itself which must absorb that prisoner. I think we could go a long way. Many of you have no doubt read of the interesting experiments that are being carried on at Auburn and Sing Sing in the direction of self-government within the institution, but I am not going to discuss that now.

I want to say a word or two about the necessity for very highly trained officials—superintendents, wardens and guards. They should know the cause of human behaviour, particularly the superintendent and the wardens, and the guards could be trained by them. I feel that in the House of Commons we have too long put off our duty in this matter. Those who administer the act are not so much to blame as those who have the duty of rewriting the act and changing the regulations, and have failed to do it. I feel that the whole theory must no longer be based on vengeance but must be based on reform of the criminal.

I will finish by quoting from the conclusions of this excellent report that was made by the committee of these three learned gentlemen appointed under Mr. Doherty's administration in 1921:

Exactly as some schoolmasters of a century ago would have said that our modern scholastic system was impossible because too "soft," exactly as some officers of the insane asylums of fifty years ago would have said that the modern treatment of the insane was unthinkably dangerous, so some penitentiary officers of to-day will say of the plan proposed in this report. This argument, in itself answered by the schools and asylums, may be supported by an allegation that, under the proposed system of administration, imprisonment in a penitentiary will lack deterrent effect.

And their last words are:

Speaking for themselves, the members of the committee would not before undertaking this investigation have believed that the penitentiary system could have been as needlessly cruel as it in fact is, and the absence of those features of the system which involve unnecessary mental or physical suffering would not to

any of them make prison any the less abhorrent. If that view represents, as it is thought to do, the views of the average educated person, certainly the imagination of the uneducated is not so acute as to suggest a wide difference between forbidding prison walls concealing an unnecessarily cruel, or only an inevitably painful system of punishment. Even if the contrary were true, the benefit to society of a system really directed to the reform of criminals would far outweigh any possible disadvantages of the change; the modified unwillingness to undergo imprisonment of an occasional weak-minded person who had no objection to the restriction of his liberty would by no means be sufficient to counterbalance the benefits accruing to society from a proper system of administering the whole penitentiary population.

I ask the house to support the resolution.

Mr. NEILL: The hon. member quoted a letter to the effect that prisoners were given a suit of clothes which stamped them as ex-convicts. Does the hon. member know that of her own knowledge?

Miss MACPHAIL: Several people who have seen them have told me that that is the case. I am speaking of knowledge which is three years old and I do not know what has happened in the meantime.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, there was a discussion last year of this matter and as there is a penitentiary located in my constituency and another which is close to the border, to me the subject is an interesting one and has been a matter of personal study for the last twenty-five years. After reading all the literature I could get upon the question, I am satisfied that no person can offer a hundred per cent solution for the problem. I am not a sentimentalist or a sob sister, nor am I opposed to punishment. According to my own view, the punishment may be changed a little, but that does not make it any better.

For many years I have taken an interest in this question and I cannot understand why criticism should be levelled against those who have expressed opinions and made statements in regard to it. Prison reform is a matter of long standing in Canada as well as in other countries, and will continue to be of vital importance just as long as we have crime and institutions for the punishment thereof. I should like to read a letter dated at Kingston, June 24, 1848, which will give the house some idea as to the length of time such matters have been of vital importance in Canada. The letter reads:

Provincial Penitentiary,
Commission room,
Kingston, 24th June, 1848.

Sir:

I have the honour, by desire of the commissioners appointed by His Excellency the Governor General to inquire into the management of the penitentiary, to intimate to you that the commissioners commence their investigations in the courthouse here on Monday next.

The commissioners are desirous to avail themselves of your information on the subject of their inquiries, and will be happy to receive you at two o'clock on Monday, should that hour be convenient for you.

I have the honour to be,
Sir,
Your most obedient servant
Geo. Brown,
Secretary.

This letter was addressed to Dr. James Sampson, one of the first physicians to attend the penitentiary. As long back as 1848 the question of investigation was before the public.

I think the Prime Minister (Mr. Bennett) in a statement he made to the press some time ago, gave a good definition of the function of a penitentiary. He declared that penitentiaries were, first, for the punishment of those who had disobeyed the law; second, for the deterrence of others who might break the law in the same way, and, third, for reformation. I think the Prime Minister has summed up in his own unique way the function of penitentiaries. We must consider whether the penitentiaries are to-day performing the functions which the Prime Minister stated they should perform. I intend to outline several points in this connection. I intend first to give the reasons why they have failed; second, to deal with the reports which have been made and, third to deal with the disposition made of the young.

In my opinion this country must adopt for the young a different punishment from that which has been used in the past. A penitentiary is not a place in which to put young people. The punishment meted out in the past to the young has provided a gradual, graded ascent to the highest type of criminality. A boy is sent to a reformatory, he becomes lonesome and runs away. What punishment is given? In the province of Ontario it is two years in the Kingston penitentiary. Boys from fifteen to eighteen years of age have done six years in Kingston penitentiary for a six months' commitment to a reformatory. I ask the house and the public generally: Is that a proper way to treat these young people? I am not speaking in a partisan way, nor am I criticizing our ministers of justice. I know both the present Minister of Justice (Mr. Guthrie) and the former Minister of Justice (Mr. Lapointe) and I am confident that if the minister had the proper information before him he would not for one moment approve of such treatment. When these boys have completed their two-year

term in the penitentiary they are sent back to the reformatory to complete their six-months' sentence, and very often this return is by way of a gaol. This is not a matter well known to the public. The former superintendent of Kingston penitentiary told me that he had handled as many as ninety boys who had been sent to him from the reformatories. The penitentiary administration may well say that this is not their fault, that they have to punish them according to the law; but if that is so, the sooner we appoint some body to review the whole system, the better for the young people of this country.

I should like to make certain recommendations in regard to this matter. Let us consider in what way the penitentiary administration has failed. I think the first cause of failure is its desire for secrecy. Guards have been placed across the street from my home to watch and see what officials or guards of the penitentiary came to see me. Reports were made and I have heard indirectly that those who came to see me were dismissed. There is also an order in the penitentiary that a guard having a complaint must not approach a member of parliament, upon pain of dismissal.

Mr. MACKENZIE (Vancouver): May I ask who issued that order?

Mr. ROSS: I do not know, but I do know that it was issued at two different times. The officials of the penitentiary administration in times past have used cabinet ministers, political organizations, returned men's organizations and women's organizations to secure their positions, and yet they post an order forbidding the under man from using the same path which they have trod.

I think the second reason for their falling down is the incorrect reports which are issued. I am sure that the present and past ministers would have taken action had they realized just what was taking place in this regard. I am not criticizing one administration more than the other.

Let me refer to some of these reports. In the present report, on page 12, speaking of the institution of games of ball, it says that occasional shouts irritated the people of Kingston and Portsmouth. Just imagine how the people in that vicinity will think of that report! To use the expression "occasional shouts" is a criticism in regard to magnifying complaints. The complaint was not of an occasional shout. No one will object to the prisoners being allowed to play ball and we can commend them for doing so; but the fact was that from half past ten or a quarter to eleven on Sunday morning until noon there was not an occasional shout, but a terrific volume of blasphemous, vile language that the people going to and sitting in church resented. That was perhaps occasioned by the convicts for the first time being allowed to take part in a game, and the nuisance may wear itself out. But where an official submits that kind of report to his minister and to the public as if what was complained of was merely an occasional shout, it is an absurdity. I want to refer to other parts of this report which are of the same nature, but I have not the time now; perhaps later on I shall have an opportunity to do so.

These inaccuracies in these reports coming from such a source to the public make it difficult to know whether in every report the exact situation is disclosed. In 1929 the hon. member for Southeast Grey (Miss Macphail) asked the then Minister of Justice (Mr. Lapointe): What is paddling? He replied and I am using his exact words—"Paddling is spanking with a small strap, not a cat-o'-nine-tails, but a small strap about eighteen inches long and there is nothing cruel about it."

I do not know whether my hon. friend has ever seen paddling; I have not seen it, but I am now showing to the house what a little paddle, a little strap eighteen inches long, is like. I have in my hand an official paddle It has been changed a little and maybe it is somewhat lighter. As I said at the beginning, you must punish. I was brought up in an old Scotch school where my parents thrashed, where the school teachers thrashed, and we got no sympathy when we went home and said that we had been thrashed but received another thrashing. This produced very good men and women, but I do not believe in barbaric punishment. When you look at that paddle, you see a little bit of barbarism. It puts me in mind of what happened in the trenches at the beginning of the war when we started those trench raids. Our engineers, believing we were back to the old days, got a long club and on it they had spikes, an old barbaric instrument. That was proper in its day, but the soldier of to-day would not use it and a hundred of those clubs that were made were not and would not be used. Let me tell the house that one warden on his appointment to Kingston penitentiary, when he saw this strap, refused to allow it to be used. I do not think any person could say that the paddle I am exhibiting was a little strap eighteen inches long, small and nothing cruel about it, but that is the kind of thing we are told. Hon. members can see the holes in the paddle which have one object and there

are possibilities: the holes allow for seption of the skin and if a guard wishes—and I am giving this information from a direct source, from a man who has used it, I do not care how many hundred guards will deny it—with a sudden jerk he could tear the skin off a convict. Guards who have used this little strap have told me that two blows of it renders the flesh just like a piece of jelly.

Let me pass on to another report. In 1931, there was published in the press a great story about a plot being discovered in the penitentiary and of men being found there with daggers, stilettos and all sorts of things in preparation for a general break-out. I am not going to deal with the punishment of the fellow who is guilty of such a thing, but I want to exhibit to the house some of what in the report are called daggers, stilettos, swords, with which instruments they were going to murder guards and make a general break-out. I hold in my hand two of the stilettos. What are they? They are ordinary files made into bearing scrapers for use in cleaning motors and similar jobs. What I want to point out is this: that that false report of conditions resulted in one of the very best returned men I know losing his position. He protested against it and asked for an investigation, but he could not get one and he lost his job. He was a man who, after doing three years service overseas, had returned to Canada and prepared himself as an instructor in motor mechanics work. These instruments were on hand in the penitentiary before he ever went there, yet the finding of them was reported as the discovery of a great plot and this man lost his job. To-day that returned man, his wife and four children are suffering want as a result of lack of a proper channel of investigation by which he could be heard.

Last year the question of treatment of these cases came up and I protested against the manner in which decisions were made. As I say, every one of these guards who is dismissed comes to me, and I do not want to know the reason for the dismissal so long as they know and they have had a proper hearing. Last year it was decided that the crown had the right to dismiss a guard even if at five o'clock at night he got his dismissal without any hearing. I thought that was very unfair and un-British, yet that is continued in spite of a ruling made by the Prime Minister whose language as expressed in the house with regard to this treatment, I am going to quote. He said:

> It is the old question that no man can be dismissed from his appointment by the crown without having the opportunity to be heard, as was held by the Privy Council in the Phipps case. Sometimes a narrow meaning is placed upon the expression "removed for cause." It is believed this would cover charges of misbehaviour, which of course he would have an opportunity to meet, and he may be removed for incapacity—

Of course that is almost fundamental.

> —if a man has had a mental breakdown and is no longer able to carry on, it follows that he should be removed from his position. The other provisions, inability or failure to perform his duties properly, come under incapacity, they cover the case if he becomes unfit for the position as it may have expanded, or perhaps was not fit for it when appointed. It is perfectly clear, as I say, that the person concerned must have an opportunity to be heard in his own defence, in any case.

That is a statement by our Prime Minister, and he has been pretty fair in regard to breaking up this matter of secrecy. We must be grateful to the Prime Minister for saying that penitentiaries should be and could be visited by others than those having the statutory right. He opened it but at the time he did that there was in existence an order that nobody but those having the statutory right could be admitted to the penitentiary.

Now I come to another report; and in this connection perhaps I did feel a little aggrieved at my friend, the Minister of Justice, because I felt he was not getting proper information. At the time I brought up the matter of what was then called the preferred penitentiary I stated that a distinction was being made between classes, and that in our opinion the institution was not properly administered. There was favouritism. I would not like to mention all the favouritism that was going on. Afterwards the minister was good enough to admit that he had been misinformed. I want to tell you what was going on at that time. There was one class, brokers, who were admitted there holus-bolus. Their wives could come to that institution just when they liked. They were met at the station by the warden's car and were driven from the station to the warden's residence. Having deposited the wives of these favourites there the car then went down to the penitentiary and brought the broker inmate up from the penitentiary. Let me tell you what happened one day. One day the wife of one of those brokers arrived at the station. On the same train was the wife of another convict who was just getting her one day a month visit, she had a little child by one hand and another in arms. She walked that five or six miles, there and back, while the wife of the other convict was borne in the warden's car. Now that raised a great deal of criticism and feeling that our institu-

tions were showing favouritism to classes. Perhaps that deals sufficiently with these "incorrect" reports as far as they go.

I want to say in the second place that many things have been done this year. I want to give credit where credit is due, but these things would not have been done had certain events not happened. Perhaps I am going a little too far, perhaps the minister would have done things; I think he would if he knew. Reforms have been carried out, but many of these reforms during my twenty-five years' experience have been the result of outside interference and outside pressure. Let me refer to some of them.

A great deal has been said about the hole. I admit right now that I have not read Maclean's magazine and I have not read the Globe. I spent five or ten minutes at the hearing of these trials; I think they were a great mistake. As far as I was concerned there was only one case I was interested in, that of the boy, Bailey, I referred to. I want to give you the history of that hole. Before the war there was a commission appointed and it made an investigation. They found what was known as the dungeon or the hole. Some people think it is a deep dark place down under a stone castle. Forget that. But any place where light is restricted and ventilation precluded to me is a hole, one member of that committee was a doctor. He visited what was then known as the hole, which was under what was known as the insane ward of the prison, and it was absolutely dark. Men were running in that place on their hands and knees—this doctor is yet living and can confirm or refute me if he likes, but these are his own words to me—men were running on their hands and knees in that dungeon, and clubs and sticks had to be used to keep them from biting, as the investigators went through. As a result of that investigation that dungeon was done away with. Then a second dungeon was put in operation; it has been visited by some in its present condition. This dungeon as it existed just a very short time ago, later than the trials, is a cell somewhat over five feet underground, with restricted light, admittance to which was by a wooden door. That door contained three or four one inch holes which admitted the only light. That place was dark, damp, ill ventilated—the only ventilation yet I think is the pipe up to the keeper's quarters. But thanks to outside influence, investigation, interference, the wooden doors have been removed. Now why lead the people to think that was the condition that prevailed there all the time? Only recently was the change made, only a short time before my hon. friend made his visit. I cannot see any reason for refusing to consider these things. Let us say we will improve them. These things are wrong, they are not in accord with the civilization of the present time, they might have been sanctioned in times past but civilization now sets a higher standard and does not tolerate such things. That hole was there with that wooden door, and guards had to examine it frequently because the hinges got rusty from the damp and it often needed repair. It is better now; our administration of the present day has done that much. But in this report they refer to many things that were done about twenty years ago, and seem to be taking credit for them. So much then for the dungeon, and the good done by outside interference, outside investigation. Now let us pass to another feature.

In 1919 an investigation was held and there was much criticism in regard to hospital conditions. Nobody has taken any notice of the report. It has been left dormant. I want to show you what has taken place in connection with hospital conditions in the penitentiary, again through outside interference. This is a letter written by a very celebrated surgeon of Kingston:

228 Brock St.,
Kingston, Ont.,
December 1, 1919.

To: The Acting Warden,
Kingston Penitentiary,
Portsmouth, Ont.

Having been called to the Kingston penitentiary on Thursday last, Nov. 27th, in connection with an operation to be performed on a convict at that institution, I made most forcible objections to the so-called operating room at that institution and with your permission I beg leave to place in writing the substance of these objections.

In thus voluntarily thrusting myself into the internal economy of your institution I am satisfied that you personally have not the slightest responsibility in the matter. I am also firmly convinced that if this state of affairs be brought to the attention of Gen. Hughes it will receive consideration and action thereupon, because I am of the opinion that he will be only too pleased to have his attention called to anything in his department needing improvement.

Possibly someone not conversant with the facts might think there was some political or other object influencing any arrangement of the medical or surgical administration of the institution. Permit me to say that I am perfectly indifferent to either shade of politics, excepting as a citizen of Canada; that I have been professor of surgery in Queen's university for many years and consultant and surgeon Queen's military hospital; that I am not in general practice—confining myself to surgical consultations and operations. I mention the above facts in the hope that these positions at the very least will lend weight to my unsolicited report.

I might further say that I have been doing surgical work for over thirty years, and that

in all my experience I never saw such a so-called operating room as I did in the Kingston penitentiary on my visit on Thursday last. I could not realize that it was an operating room, as the only furniture it possessed was an antique metal table of four legs and a flat top, apparently supposed to be an operating table, but if so of the type that had been discarded from our dissecting rooms over a quarter of a century ago. This was the only furniture in evidence, surgical or otherwise, in the room. Sterilization, a great necessity in every operation, major or minor, seemed to be unknown or unappreciated, as the only sterilizing apparatus I could discover was a small tin dish and the only method of sterilization with this was apparently a kitchen range. Asepsis was apparently unknown, there being a total absence of sterile dressings, in fact an absence of the knowledge of the need of such dressings. Of surgical instruments I could discover none, excepting a small hand case with a few minor instruments in it. Fortunately for the above operation the medical officer in charge had brought a complete sterilized outfit, instruments, gowns, towels, etc., from a nearby hospital. The whole outfit would have been a fit subject for the pen of Dickens, who wrote of the deplorable state of the nursing and medical services in his day.

Without being unduly harsh, in my opinion the operating room of the Kingston penitentiary and its contents are a disgrace to the administration of justice in Canada, as well as to the twentieth century of aseptic surgery. It would also seem as though if a convict received a serious injury and was admitted to the operating room he could lay aside all hope of surgical asepsis.

I understand that in the case of any convicts having required operations in the last few years the same had been transferred to the General hospital or the Hotel Dieu, but as this is contrary to law and it is altogether likely that out of six or seven hundred convicts more or less surgical operations are required, I submit the above facts in the hope that at least, in this modern day of surgery, some attempt at the best surgical fittings should be afforded these unfortunates, and I am satisfied that the cost of the provision of such necessary surgical fittings is only a matter of minor importance, especially as it is quite possible that much of the outfit required may be secured from the militia department, which, no doubt, has a surplus either left over or returned from overseas.

That report was made in 1919, but no action followed. On March 22, 1920, a second surgeon was called, and I want to say that the letter I am about to read was sent first to the warden; no action. Then it was sent to the superintendent; no action. Finally it was sent to the minister, but still no action. I should like to read it, to show the view taken by the second surgeon:

Although I am but temporarily employed as surgeon to the Kingston penitentiary, and although I have acted in that capacity for but a short space of time (yet long enough to know whereof I speak), I feel it incumbent upon me, feel it my bounden duty, first as a doctor and secondly as a citizen to bring to the attention of those responsible the grave defects in the system (if system it may be called), of caring for the sick in this institution.

I am quite aware that a man, when he becomes a prisoner, forfeits his rights of citizenship, but I maintain that he does not forfeit the right to humane treatment when, in custody, he becomes ill. I am going to prove that under the now existing conditions it is impossible for the sick to receive the minimum of care which present day medical standards demand.

It is not my intention to deal in this report with detail, but merely to point out a few of the outstanding features which must be remedied at once, not only for the sake of those who are obliged to be treated under such circumstances, but also for our own sakes, if we are to lay any claim to justice and humanity, in the treatment of our fellowmen.

One of the oustanding defects is lack of proper system, and to this may be laid many of the faults which I will speak of later.

Then he goes on to speak of the hospital staff, whom he describes as inexperienced, inefficient and untrained.

There is no adequate equipment for the treatment of cases, no clinical charts for bedside notes, no means of keeping records or daily notes on cases, no record of treatments or medicines given. In many cases I find treatment is neglected. There is great delay in filling prescriptions and getting patients started on prescribed treatment. Example—a post operative case for whom I ordered canstant applications of heat and other treatment, received no such care from 9 a.m. on the day of the operation, until 4 p.m. the following day, other than a little nourishment at breakfast and dinner time, on the day following the operation.

In the cases of two tuberculosis patients, with severe coughs, I ordered certain medicines for them, this is the third day since the prescription was ordered and so far it has not been filled, despite my daily inquiries. . . .

I find great difficulty in placing responsibility in carrying out my orders in the intervals between my visits. These orders are taken in an unmethodical, haphazard way, and I find in many instances they are disregarded altogether, and in other cases carried out in a manner which best suits those in charge. . . .

The operating room is such in name only. One operating table, and sink (with hot and cold water) are its only equipment. There is no sterilizer, no sterilized goods for operations or dressings, no gowns, gloves—in fact, it is impossible to do even a minor operation under proper conditions with the equipment at hand. A short time ago I had occasion to operate on one of the prisoners and found it necessary to bring everything required from a local hospital.

The hospital attendants have absolutely no idea of technique, and it is impossible with the present facilities to do a dressing aseptically. . . .

There are a number of men in this institution suffering from syphilis in different stages, and there are also cases of gonorrhea. No attempt has been made at segregation, and therefore there is no protection for the unaffected inmates. . . .

Tuberculosis patients of which there are at least four serious cases at present, in hospital,

do not receive anything like the treatment necessary for such condition. I found these men confined in bed in their cells, which are dark and poorly ventilated.

I think that is enough. In spite of complaints from the inside staff, no action was taken. To-day, as a result of outside interference, we have there a splendid sterilization plant, but it required forcible outside influence to get that equipment into the penitentiary. To-day, however, I think we have reached the stage when something further should be done. To-day the cases are treated in cells, just as they were treated then. The hospital is a large block with cells running back to back down the centre, and no matter how severe the illness, unless a change has been made in the last few months, the patient is treated in one of these cells. At the time this report was made it was an order that no attendant, medical or otherwise, could gain admission to that cell no matter from what illness the man was suffering, pneumonia, typhoid, or anything else. The only thing that could be done by the man in charge was to put some medicated tablets on a saucer and slide them across the floor to the convict.

These cells are there to-day and that is the treatment given. I wish I could impress upon my good friend the minister that this is not what our present civilization wishes. I know that we do not all appreciate the difficulties in the administration of a penitentiary; it is one of the most difficult jobs a man could be given, but no matter how inexperienced a man may be when he is made superintendent or warden, within a week or two he seems to know everything about the institution and can upset what has been done in the past, whether it be good or bad. It takes a man some years to get acquainted with the problems which exist in the administration of a penitentiary, and I do not know whether he would thoroughly understand the question if he remained there a lifetime. But no matter how inexperienced an official may be, his word goes with the officials who administer the department, and I do not think that is sound.

I think the recommendation that these cells should be retained is very wrong. I cannot see where there would be any great difficulty if the cells were taken out and that section of the institution made into a ward. With the cells as they are to-day, on one occasion five men took the clothes off a doctor and the attendants, dressed themselves in the garments of the doctor and officials and almost walked out the gate. They could not do that if there was an open ward. They locked the poor doctor and his attendants in the cell.

Mr. GUTHRIE: When was that?

Mr. ROSS: That was before the war. I believe I have shown the difficulty of dealing with this matter when we do not receive correct reports. There is great difficulty even when dealing with the inmates and the guards. So far as the inmate is concerned there is always the possibility of parole and in ninety per cent of the cases he is not going to tell you the exact situation for fear the information he gives will interfere with his parole. With the guard there is always the possibility of his being thrown out, he cannot even speak to a member of parliament.

The point I am making is this, that very often an upheaval, such as the one which took place recently, is required to get some kind of action. I have before me the list of the people who were examined as mental cases following the last riot. The one great fault I have to find is that there is no attempt to separate these people according to their mentality. I am not referring to the simple mentality, but to something different. The report shows that during the trial one inmate claimed that he had been twenty-three years in close confinement. Of course, right off the bat I believe that is ridiculous. The history of this case is shown and I do not think anything could better illustrate the failure of the system than the publication of the circumstances concerning this man. The superintendent's report states the following:

He first entered Kingston penitentiary on November 30, 1904, having been convicted of murder, and sentenced to be hanged, which sentence was commuted to life imprisonment. His sanity was questioned in May, 1905. He was kept under observation, and pronounced insane on September 15, 1905, and kept in the insane ward in Kingston penitentiary until he escaped in May, 1907. At that time, he was at large for two weeks. On his recapture he was again confined in the insane ward, and constantly under medical observation. On June 25, 1915, he was transferred from Kingston penitentiary to the prison for the criminal insane at Guelph, on the closing of the ward for the insane in Kingston penitentiary. In August, 1917, he was transferred to the asylum for insane at Hamilton, Ontario, escaping from that institution on August 31, 1917, and was at large until rearrested on February 6, 1918, charged with passing counterfeit money.

May I add that this man can saw a steel bar with a paper saw. The report continues:

He was returned to the asylum on February 9, 1918, and from there escaped on June 15, 1919. He was at large until May 12, 1920, when he was rearrested in Boston, Massachusetts, for breaking and entering. He was

convicted and served seven months in Boston jail. He was at large from the expiration of that sentence until June 22, 1921, when he was convicted at Suffolk Superior Court, Massachusetts, for robbery while armed, and sentenced to six to nineteen years in Massachusetts state prison. On August 12, 1921, he was transferred to the Bridgewater insane hospital, Bridgewater, Massachusetts, from which he escaped on September 10, 1921, and was at large until rearrested and convicted on January 20, 1923, at Montreal, on a false pretences charge. He was returned to Kingston penitentiary on February 3, 1923, and from there transferred to the Ontario asylum at Guelph, on February 5, 1923, and from that institution escaped on December 28, 1926, being returned three days later. He was eventually pronounced sane on April 29, 1929, and returned to Kingston penitentiary, in which institution he is still serving.

Mr. SPEAKER: I regret to interrupt the hon. member, but he has spoken forty minutes.

Some hon. MEMBERS: Go on.

Mr. ROSS: I wish to say only this: I would have no object in saying that any one set of officials could conduct this institution better than another. I do say however that our system is wrong. The fault may not lie at the door of the penitentiary, but the system should be revamped, and evidence concerning it should be reviewed by someone. I have one particular object in taking part in this discussion and doing what I have done in the past, and that is to bring about some system whereby we may prevent the young people from going to our penitentiaries. To-day the penitentiary has been defined, so far as its functions are concerned. What is it? It is a large pot into which everything is dumped—thugs, murderers and convicts of all kinds. There may be some decent fellows, and there are boys of fifteen, eighteen and twenty years of age. No distinction is made between them. There is no line drawn between the good and the bad. My recommendation in regard to these boys will be made at some other time.

The condition in which they are in there, Mr. Speaker, is pitiful. I do not care how many people will deny my statement when I say that from the time those fifteen year old boys enter our penitentiaries they come under the influence and force of the worst moral perverts to be found or which could be found anywhere in Canada. For years back guards have told me that every boy of fifteen years who enters the institution is at once the object of moral perversion. Only the other day a boy of fifteen years came from Windsor. He was without socks, was wearing shoes that a pig would not wear, a coat which looked as though the dogs had torn it, and was wearing a collar but no shirt. What attitude and disposition must that boy have to society? Is there no hope? Can we not hope that some strong influence will bring a change?

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, the discussion on the motion now before the house has taken such a wide range that in the time allotted to me I shall not be able to touch more than the fringe of some of the questions that have been raised. At some later time in the session, therefore, when a better opportunity will be afforded to do so, I shall take occasion to discuss many of the matters that have been raised here to-day and which I cannot deal with in the forty minutes allotted to me.

There are one or two observations of a preliminary nature which I should like to make in regard to the whole penitentiary question. There is a genesis to the agitation which has been carried on for the last year and a half in regard to penitentiary administration, and that genesis will be found in the conviction of eight communists in Toronto about two years ago, at which time we were indirectly warned that we were inviting trouble for ourselves in the penitentiary if these men were treated as ordinary prisoners.

From that time on, a very active propaganda has been carried on throughout Canada by such organizations as the Canadian Labour Defence League, the Workers Unity League and other organizations of the same kind, which are all more or less tainted with communism. When I tell the house that the communications which have been sent directly to me during the past year have numbered over fifty thousand from all parts of Canada, one can see at a glance that there is some directing force to the whole propaganda that is being carried on, and that is centred in the city of Toronto. The most recent communication that I have had was in the nature of a Christmas seal which was placed on express parcels during the recent Christmas season, and which I exhibit now only as a curiosity. It reads:

Mr. Guthrie who ordered the attempt on Tim Buck's life.

That is the Christmas seal that was put on express parcels in Toronto during the month of December last, in addition to the fifty thousand odd communications that have been addressed to me by way of postal card, circular, letter and petition, to which, I need not tell the house, I did not take the time to reply.

The most recent letter that has come to me came to-day, and I might take time to read it. It is an intercepted letter addressed to

one of the eight communist prisoners in the penitentiary whose name I shall not give, from the Workers Unity League, and is dated February 7th instant. It reads:

Dear fellow-worker:

We offer you our heartiest revolutionary working class greetings on your 43rd birthday —the second birthday that you are forced to spend locked up behind the cold steel bars and stone walls of the Bennett government.

Fellow-worker, we know that you are with us in spirit at every step of our struggle, we feel your power and strength in every phase of our work. The great work that you accomplished in the Canadian Labour Movement was and is the granite-like foundation upon which we are building up the revolutionary industrial unions. We are doing our level best to carry on your work, trying to carry out in life all of your policies and aims.

You will be glad to know that our movement is steadily forging ahead, winning new sections of the workers to our revolutionary program and struggle—and that, although the ruling class dealt us a truly heavy blow when they tore you away from us, nevertheless they have failed to halt us as they planned and expected. As you and Tim Buck predicted—our cause advances!

Tens of thousands of Canadian workers will greet you on February 11th as the leader of the revolutionary industrial unionism, as the stalwart and unshakeable symbol of all that we hold dear, of all that we fight for. Hold firm dear comrade! We are fighting hard for your release. We need you back in our ranks. We will win you back to your rightful place—at the head of the revolutionary industrial union movement of Canada.

With our warmest working class greetings,

Thomas Charles Sims,
On behalf of the
National Executive Board.

My object in bringing this to the attention of the house is to show that there has been an active propaganda in regard to penitentiary matters. I would also point out that it was all fixed upon one institution. There are eight penitentiaries in Canada. They are all operated under the same government, upon the same principles, and under the same regulations, but the whole agitation has been directed to Kingston penitentiary where the eight communists are confined, having been sentenced to fairly long terms by the highest court in the province of Ontario. Why was there no attack on the other institutions? The management is the same, the regulations are the same, the conditions are the same; but the whole attack has been focussed on the Kingston penitentiary where the eight communists are confined.

Miss MACPHAIL: May I ask a question? I hope the minister is not attempting to link my interest in the penitentiaries with the communists who have flooded him with letters and petitions?

[Mr. Guthrie.]

Mr. GUTHRIE: No, I was not referring to my hon. friend from Southeast Grey (Miss Macphail) in any way. I am talking about the whole agitation which has been going on for the last twelve or fifteen months and which everybody knows about, an agitation developed by reason of the fact that the Canadian Labour Defence League not only supplied all labour organizations, trades and labour councils throughout Canada, with a most lurid account of conditions in Kingston penitentiary, unfounded, untrue in the statements that were sent out, but petitioned and memorialized to the various churches of Canada. Then the matter got into the press. Then certain former inmates who had been liberated on ticket of leave and the like saw the opportunity of carrying on a campaign in the newspapers, publishing books and letters, and the Toronto Globe in its publication of the Withrow letters certainly added fuel to the flames.

A greater overstatement of conditions was never contained in any volume than I find in this book Shackling the Transgressor. It is unfounded in every respect. It is an exaggeration in every subject with which it deals. A great many of the instances referred to in this volume are absolutely untrue, and I refer to it now only because the hon. member for Southeast Grey has referred to it.

Withrow was a convict in Kingston penitentiary. He apparently is a man of education and some refinement, and I can well imagine, and we can all realize, that to such a man the daily monotony of prison life is a terrible punishment. As he says in his book, the click-click of the locks, the tread-tread on the corridors of the other prisoners, got on his nerves. A term of imprisonment in a penitentiary is a terrible punishment to a man of refinement or education. Of Withrow's experience in the penitentiary, which began prior to my having anything to do with the penitentiaries and ended in October 1929, I cannot speak with as full information as I would like as to the conditions which prevailed there. I have not that intimate knowledge of the conditions which prevailed in those days, but from the files in the Department of Justice I have been able to look up certain statements contained in the Withrow book, and I know that they are absolutely false and unfounded. The grossest kind of exaggeration has been indulged in. I shall give only one or two instances as I have not time to give more. Here is a sample taken from page 114 of this book, Shackling the Transgressor:

The chaplain looks upon Red—

That is a prisoner in the institution—

—as his curate for my friend sees to it that none of the religious rights of their faith are neglected by the Roman Catholic patients. On the first visit of the new archbishop to the prison it was requested by His Grace that "Red" should read the address of welcome. My friend came to me and asked if I would help him in the preparation of this address. I agreed and Catholic and Protestant wrestled with the proper wording and I typed the final draft. Though the committee selected the work of another inmate, "Red" was the orator on the special Sunday and I have always felt a glow of satisfaction at being associated with "Red" Ryan in such a bit of service.

His Excellency the Archbishop of Kingston called on me a short time ago and called my attention to that paragraph and said, "Mr. Guthrie, that is untrue." I did not like to use anything that had been conveyed to me in a private conversation by His Excellency the Archbishop, and so a few days ago, on January 27 last, I wrote him a letter and in reply he authorized me to make use, if I saw fit, of his statement in parliament. He wrote me as follows:

You are at perfect liberty to use as you see fit the remarks I made about the address presented to me on the occasion of my first visit to Kingston penitentiary. These are correctly contained in the second paragraph of your letter to me, viz.:

"I understand that Your Excellency was not consulted in regard to this matter at all, and that you did not request Red Ryan either to prepare or present the address in question, and that as a matter of fact, he did not read the address."

I absolutely requested no one either to write or present an address to me, nor did I know anything of it until I was about to go to the penitentiary.

So much for that statement in the Withrow book. Let me mention just one other.

He referred to an unfortunate happening in Kingston penitentiary in the year 1928 or 1927, I am not sure which, when a prisoner, McCloskey, killed a guard. He was subsequently tried, convicted and hanged. According to Withrow this prisoner was a quiet, well-behaved young fellow with no ill will to anybody, and he further says that he did not receive a fair trial, that he was really a mental case, and that had he been properly defended he would not have been hanged. Now without any solicitation on my part the lawyer who defended this man on his trial—he was tried twice as a matter of fact—has communicated the facts to me: that the prisoner had no excuse for the terrible act he committed, that he killed that guard, that he had no provocation any more than that he did not like the guard. The guard was a man whom everybody, even the prisoners, liked and respected. The prisoner had two trials, was defended at the cost of the attorney general of Ontario, and was convicted at both. All these facts were written by this lawyer to the Toronto Globe when it published this article from Withrow's book, but the Globe refused to publish the lawyer's letter. I have the lawyer's letter here but I shall not take the time to read it, although I may do so on a subsequent occasion. If I had the time I could analyze the Withrow book, but that book pertains to a time when I was not Minister of Justice. However, I am satisfied that the conditions pictured in Withrow's book were not true of the administration of my predecessor. The whole thing is an unfounded insinuation and an attempt by Withrow to get even with the system under which he was punished.

May I touch upon a matter rather personal to myself. This concerns an interview published in the newspapers on December 1 last. I happened to be arriving in Quebec city that day at half past seven in the morning. As I stepped off the train I was accosted by a newspaper man who asked me about conditions in the penitentiaries and whether or not there was to be an investigation. I told him that upon two occasions last spring deputations from the Canadian Labour Defence League had come to Ottawa asking that an investigation be held under royal commission and that the Prime Minister (Mr. Bennett) had made a decided statement to both deputations that there would be no investigation by royal commission. Lest it should be thought I was hiding anything, I told the newspaper man that conditions in Kingston and the other penitentiaries were perfectly satisfactory and that so far as the penitentiaries and headquarters' staffs were concerned, they would welcome an investigation. But I said there was not to be an investigation by royal commission. Unfortunately it was stated in the headlines that I wanted an investigation by royal commission but that the Prime Minister had refused. This was an entirely erroneous statement and I have given the house just what occurred.

Prior to the outbreak of the riot in October, 1932, there was an attempted outbreak in August, 1931. This has been referred to by the hon. member for Kingston (Mr. Ross) who produced some dangerous looking weapons—I would call them knives or daggers—to the view of the house as though they were some simple tools for use in the factory. The history of this matter is rather interesting. These weapons were made surreptitiously in one of the shops at Kingston and were hidden there for the purpose of assisting in a revolt

in that institution. It was stated by someone that they had been taken from a knitting or other kind of machine and sharpened up for the purpose. The hon. member for Kingston said that they were files, but it is evident they had been manufactured into weapons of offence of a very dangerous kind.

Mr. ROSS: I do not want to interrupt, but for the sake of clarity I might say that those things were there for twenty years and the challenge had been made to investigate.

Mr. GUTHRIE: That is not the report of the occurrence which was laid before me. Some five or six men were implicated in this contemplated riot, which was to be a very murderous affair. One or two days before it was to be pulled off, one of those concerned got cold feet, as the saying is, and told one of the officials of the penitentiary. All those implicated were promptly locked up in their cells. Word came of where the weapons were concealed. If they were ordinary tools belonging to the shop, why were they concealed? After a considerable hunt they were found, and I believe there were six or eight of them. According to the man who informed the guards, the outbreak was to take place at or shortly before the noon hour when a certain truck usually arrived with goods. The men on the truck were to be seized and the truck was then to be driven at full speed against the gates. They realized that possibly some might be killed but they were willing to take their chances. If they got to the main gate, they thought they could overpower the guard and get out. Those men were punished and the man in charge of that shop was let out of His Majesty's service in the penitentiary staff at Kingston. As the saying is, he was let out in order to promote efficiency. I am sorry that he happens to be a friend of the hon. member for Kingston. I do not like to have him displeased but the evidence and recommendations placed before me left me no alternative. I had to act and I did act accordingly.

There was a change made in the staff shortly before the riots. General Ormond became superintendent of penitentiaries on August 1, 1932, three months before the riot in Kingston penitentiary. General Ormond had a long career as a military man and I believe at one time had been in the Royal Canadian Mounted Police. He was accustomed to handling and managing men. He had been in the department only three weeks when he had a preliminary discussion with me in regard to both Kingston and St. Vincent de Paul penitentiaries. At that time he elaborated to me certain suggestions by way of reform in these institutions which he promised to work out and let me have in detailed form at an early date. Some of the reforms he proposed would take some time to develop and both he and I considered it necessary that he should consult more of the wardens before instituting them. I think that at least ten or fifteen reforms were carried into effect shortly after the discussion in August, and some time before the riot, when there was no trouble in Kingston penitentiary, they were well under way. After the riot the time of the superintendent was taken up with the consideration of conditions at Kingston and the straightening out of the difficulties. On January 1, 1933, the new regulations, which were considered by most people as being rather sweeping, were brought into force. I know that from one end of Canada to the other I have received commendation from men in high places of the reforms which have taken place in the penitentiary system of Canada since January 1, 1933. The superintendent has been very diligent, working on an average of fifteen to sixteen hours daily. He has been reasonable, his suggestions have been sound, and he has made a more intensive study of the whole penal system than I thought would have been possible in the time at his disposal. He has visited a number of similar institutions in the United States; he has made comparisons and examinations of methods which prevail in that country and such experience as he has had and such knowledge as he has gained, he has brought to bear in regard to penal institutions in Canada which are under his charge. He has worked a tremendous reform and anyone who takes occasion to read the report which I laid on the table a week or ten days ago will see those reforms carefully noted on one of the pages. The house will be amazed at the changes which were inaugurated and carried into effect by General Ormond within five months of his appointment as superintendent.

But he has not stopped there. In this very report he discusses fully most of the questions which we are considering in this debate. He deals very fully with the question of segregation of prisoners, with the hospital situation, with the question of juvenile offenders, with the question of payment of wages to prisoners, which he likewise favours. He recommends the institution of training schools for guards and staffs in the penitentiaries. He is very strong in his recommendation for a psychologist in each penitentiary in Canada in order that a prisoner on being received into the prison may be carefully examined as to his circumstances, his past life, his adaptability

and the possibility of improving him while he is there. All these things are discussed in this report of the superintendent; it contains on these subjects fuller information than we have had before the house on any previous occasion.

I am aware that some recommendations contained in the report of 1914 were not adopted, as was also the case with some contained in the report of 1921. Why my predecessors in the Department of Justice did not see fit to adopt those recommendations, I cannot say; but I think with two exceptions they are all in force now. In one of these reports there is a recommendation that the prisoners should not be fed as they are now, on the cafeteria system. At present every man passes along a counter with his tray, receives his food allowance and carries it to his cell. He eats his meal there. One of these reports states that that system, known as cellular feeding is all wrong and recommends that dining rooms be established in order that the prisoners may mix with one another at meal hours. That is a highly debatable question. Many of our prisoners object to the common dining room. They do not want to be subjected to close association with some of the men beside whom they may have to sit. They prefer the cellular feeding; they say that it gives them more time; they have time to rest, to reflect. Some prisons in the United States have adopted the dining room system; some in England have done likewise, but all have not done so and it is a debatable question which is the better system so far as penal institutions are concerned.

It is also stated that we should have some definite scheme of segregation in our penitentiaries, and I entirely agree with that suggestion. I believe the best discussion on the subject is that contained in the superintendent's report and also in more lengthy reports which he has submitted to me, compiled from practically all modern prisons in the world. The question of segregation is a difficult one. Many leading men in the various churches of Canada have discussed the matter with me, and when I have asked them on what principle they would base segregation, they would immediately say: Age; keep the young men apart from the older ones. Well, when I pointed out to them that some of the young men are about the worst offenders we have, they immediately began to change their view. Others will say: Keep the first offenders by themselves. That is also a reasonable suggestion, but we sometimes find that a first offender is guilty of a very serious crime of violence; he is a gunman; he may be guilty of manslaughter. Would you let a gunman, if you have caught and sentenced him only once, associate with other first offenders? The problem is complex; in no country has it yet been satisfactorily settled. But the superintendent is certainly developing what appears to me to be a very satisfactory arrangement. He proposes to form within the penitentiary itself a local court to consist of the warden, the chaplain, the schoolmaster, the keepers and some of the other officials, where they will examine a prisoner on his entrance with a view to seeing what he is best adapted for and what his history has been. Then he suggests that there be attached to the staff of each penitentiary a psychologist, a man competent to inquire into the convict's past and present and into his future possibilities, and that on the report of that board he be placed in either class one, class two, class three or class four according as the prison may permit of segregation into two, three or four classes or more. The scheme which he elaborates is a complicated one, but I think, in the end, it would prove very useful in our institutions. You cannot have segregation satisfactorily carried out on the principle of age. Many of our young offenders have had four or five convictions, so that you cannot have segregation along the line of first offences as I once thought it might be carried out. There are other considerations, but I think with the scheme now presented by the superintendent, a more satisfactory result will be obtained than anything that has been hitherto achieved in regard to Canadian penitentiaries.

The next point that has been brought directly to my attention by the superintendent is the question of a new parole system. I believe he likewise deals with that in his report, but whether he does or not, he has elaborated his ideas very fully to me in another document which I am considering at the present moment and which I think I shall be able to discuss more fully when the estimates are before the house. If the hon. member for Southeast Grey, instead of devoting her time to the reports of 1914 and 1923, would make a careful study of the suggestions contained in the most recent report in regard to the matters she has discussed, I am sure she could then form a better opinion; and if she will communicate with me the ideas she has formed, I shall be glad to take them up with the superintendent and see if they can be used in the plan which he is about to recommend to the department.

Let me say this in regard to the hon. member for Southeast Grey: she is an exceedingly

sympathetic member of the house and it is all to her credit that she is so; but I am informed that there are cases in which her sympathies rather get the better of her. I received from her a somewhat alarming telegram in October last. I mention that because she herself has referred to this case in the address which she has made on the motion to-day. I shall not give any names, but the telegram I received, either in October or November, was to the effect that a certain man then in Carleton county gaol was sentenced on October 13 to serve five years in Portsmouth penitentiary, that he had tuberculosis and such a sentence means death. She states further:

I am interested that he be sent to Burwash, Guelph or Mimico. I have known this man favourably for four years. He is an ex-service man with a good record. Tuberculosis due to army.

In discussing that particular case to-day, the hon. member for Southeast Grey said: "He is a man who had a fine social outlook," and she spoke well of him. I am afraid my hon. friend does not know the man as well as the records know him. I am afraid he is not the kind of man to be encouraged, though we have every sympathy for him so far as his physical condition is concerned. As soon as I received the telegram I notified the gaoler in the Ottawa gaol, an institution over which I have no control, to look specially after the prisoner. Of course when he was conveyed to Kingston he came under the control of the department, and there we have given instructions that his case be closely watched and that everything that can be done should be done for him. From the medical reports I am inclined to think that he is not such a serious case as my hon. friend the member for Southeast Grey has been led to believe. But I am sorry to say that his criminal record is a very bad one. His first conviction was for indecent assault at Winnipeg. His second was for a bestial crime which I will not mention in this chamber, for which he was sentenced to five years in the British Columbia penitentiary. He was released on ticket of leave to enlist in the Canadian expeditionary force, in which he served, but before he went he was again convicted of indecent assault and sentenced to twelve months. In 1919, after the war, he was convicted at Toronto of forgery. In 1920, again at Toronto, he was convicted of an indecent assault. On the 27th of December, 1920, at Toronto, he was convicted of theft and sentenced to nine months. On June 17, 1922, at Toronto, he was convicted of theft and sentenced to six months. In August, 1925, at Ottawa, he was convicted on a charge of gross indecency and sentenced to four years in Kingston. In March, 1926, he was transferred to the Manitoba penitentiary. On October 13, 1933, at Ottawa, he was again sentenced to five years in the penitentiary for indecent assault. That is the case. I do not wish to make any comment more than to say that the tubercular condition spoken of has not yet developed to a serious extent. The case is being closely watched and every medical attention being given.

I am afraid my remarks are a little rambling, because I see a little note in regard to the Collin's Bay matter mentioned by the hon. member for Kingston (Mr. Ross). At the time of which he speaks, when the brokers were at Collin's Bay, there was a warden at Collin's Bay named Jackson. I think I mentioned in this house last session that when I came into office under the present government I found a very unsatisfactory condition of affairs existing between the high officials in Ottawa and some of the wardens and staffs at the various penitentiaries. No one knows better than my hon. friend from Kingston of the friction which existed. I was away most of the autumn of the first year that I was minister, but in the spring of 1931, through the instrumentality of my hon. friend from Kingston, information came to me that matters at Collin's Bay were not satisfactory, that warden Jackson was not properly performing his duties. The statements were so glaring that I was disinclined to credit them; I thought they were mere rumours. I called the superintendent before me and inquired fully into them, and he said the warden was one of the best officers on the staff. I went further and had the warden before me, and I must say he convinced me that he was carrying on according to regulations and that the rumours were not well founded. Subsequently, however, other information came to me and I found that the warden was guilty of very grave breaches of duty. Without going through the form of a trial, which my hon. friend thinks should take place in every case, I retired the warden from the penitentiary staff, simply on the ground that I was trying to promote the efficiency of the service. I am sorry to say we have had to do the same with a number of officials at Kingston who proved thoroughly inefficient in the time of danger during the riot of 1931. I have no personal knowledge of any of the individuals who were displaced; I never saw them; I acted solely on the reports of the officials who

advised me, the superintendent and the warden. When an adverse report came in in respect of those guards, I felt it my duty to let them out. There are serious responsibilities in all penitentiaries; you cannot have guards who are disobeying or disregarding regulations or smuggling out letters. You cannot trust them. When adverse reports came in which satisfied me that their efficiency was not what it should be, I retired him. If in doing so I have offended in some instances my hon. friend from Kingston or other residents of that city who have written me very strong letters on the subject, I am sorry. But I felt it my duty to act as I did; we had to create some thirty or forty vacancies in the staff of that institution, which were subsequently filled by other appointments.

One other matter, and I will close with this. So lively became the agitation in the press and from the pulpit and in the various social service and church councils throughout Canada in regard to Kingston penitentiary, in which the eight communists were incarcerated —not in regard to the others—that the maintenance of order in that institution became a very serious problem. Time and again the warden has sent me, through the superintendent, information as to incipient outbreaks. Time and again since last I had the honour of speaking on the subject in this house we have had threatened revolts. Each new prisoner that came from Toronto immediately passed the word: "All the newspapers are for you, boys, and all the churches—everyone is for you; another revolution and we will all be out. A very serious and difficult situation has arisen on at least half a dozen occasions within the last ten or twelve months. On one occasion, I think in the month of September last or perhaps later, an influential deputation arrived from Toronto representing the Social Service Council of Canada, a body which is recognized throughout the length and breadth of Canada as one of the very best social organizations we have. To that organization the Prime Minister intimated that he would be only too glad—and so would I—if they as a committee were to visit all the penitentiaries in Canada, make the fullest inspection they desired, and submit to the government their reports and comments thereafter. They said they would do so. But within a few days a great many letters came to me from reputable citizens asking for similar privileges, I am going to read only one or two of them. By the United Church presbytery at Almonte permission was asked for three ministers of the United Church to visit the penitentiaries unaccompanied by a guard, and with the privilege of interviewing any prisoners they saw fit, and we granted them permission to do so. I did not ask for any report from them, but they made one, and I am going to read it. This is a letter dated November 10, 1933, addressed to myself:

Dear Mr. Guthrie:

I thank you for the permission to visit the Kingston penitentiary, which under its wide privileges and accompanied by other members of the party, I availed myself of on October 31st and November 2nd.

They stayed three days.

Having consulted together as to the vital things and then gone back after the first visit to check up, we agreed that our reaction was that of surprise; from the moment we stepped in to the well-kept courtyard, throughout the inspection of both male and female prisons and the new women's prison—we saw nothing but efficient management, care for the physical well-being of prisoners, fair regard for the cultural and vocational side of things, and a spirit of evident deep concern of the principal officers in their tasks for the well-being of the men, and which in general is admitted by prisoners we interviewed.

The buildings are well-kept, well-heated and ventilated; the cells in all blocks are well-lighted, and in the evenings have sufficient light to permit comfortable reading, having 25 candle power Mazda lamps. There is a good toilet, wash basin, sufficient bedclothes, and fair bed—all in good condition—no odour anywhere—and every evidence of abundant good reading matter in the cells, including a Bible and in many cases a prayer book or catechism. We saw the meal being served, were surprised at its quality, and checked up on the menu. On the score of living conditions, clothing, food, reading, sanitary conveniences, I am sure no one could visit the place and complain.

Special attention was given to cells in the prison of isolation and that under the keeper's hall;—

This is the so-called dungeon.

—nothing that resembles the unsanitary conditions complained of in newspaper articles could be found, in fact the cells were larger and the afternoon sun flooded the "Two-Gun O'Brien" cell, and a shower bath is at the end of the range.

The various shops were operating under good "shop" conditions—and apparently provision is made for instruction in useful trades; and fine work in woodwork, clothing, printing and mail bags were examined. The library astounded us, prisoners having access regularly to more magazine literature than the majority of people outside big cities, and plenty of good fiction and non-fiction. I have a catalogue and checked up on the shelves and in the cells.

The hospital conditions are commendable—

The criticisms offered by my hon. friend from Kingston go back fourteen or fifteen years, and conditions have been greatly improved since that time.

—and our conversations with Dr. Platt and Dr. Cumberland, the inside staff and orderlies as

well as inmates in hospital, show that prisoners are well cared for and have medical, surgical and dental services regardless of cost. The men throughout the prison seem in good condition, and those who have had "solitary"—

That is solitary confinement.

—were ready to repudiate claims of inhumanity.

The chapels and school are older buildings with wooden floors. Provision is made for education of all illiterates: and good results at entrance examinations are noted. The schoolroom itself needs to be changed, being too drab, and the Protestant chapel is obviously not as well loked after as the Roman Catholic. Interviews with the Roman Catholic chaplain, Very Rev. Dr. Kingsley, shows him to be exceptionaly well fitted for his task: and as the Protestant chaplain is but newly appointed no opinion can be expressed.

In short, we felt strongly that the whole prison is being administered with a firm but fair hand; the warden is accessible and complaints are attended to—the men seem to appreciate his evident desire to be fair. They said unequivocally that the square shooter got a square deal.

The female prison is beyond reproach—and one could be envious of the regard the prisoners expressed for Miss Robinson—the women are getting a training in decent living and their bedrooms, handwork, and tasks prepare them at least to make decent housemaids—and "Doris" is a splendid example of what can happen even in a penitentiary—as "Red Ryan" is in the other section.

We saw the "paddles" and "cats" old and new—and throughout—there was no evidence of any desire to evade and we saw the prison operating on usual schedule. Our party is convinced that to bring on an investigation at present would be to make for restlessness and to impede a good work being done. This warden is highly appreciated and his views are those of a man trying his best—and in view of the complexity and difficulty of the material he works with—he has accomplished much. The men appreciate the new tobacco (smoking in morning and afternoon) regulations—and the playing of softball and talking during recreation. It would be bad for discipline to reverse the policy.

The conditions under which visits to prisoners are made seem fair—and the only real complaints we could uncover were about the relative merits of men who got parole—an undercurrent that "offenders against persons" were given preference over "offenders against property." This we did not attempt to investigate —but the records would show. Some feeling that there might be an enlargement of the parole system to release exemplary prisoners was expressed. Several men said "What is there to be good for?"—meaning that "inside good conduct" was not as powerful as "outside influence." Personally I felt there was plenty of incentive to good conduct—and that your own address at last session of parliament after the riots was explicit on the working of "parole."

In all, after having specifically looked for evidences of brutality, vicious conditions, bad sanitation and the like, we are compelled to report that the institution will bear inspection —confident that others like ourselves—will find the same result and endorse the administration.

We feel there is something wrong when publications can make such a disturbance in public opinion by what to us must be regarded as maliciously distorted reports. The public would be satisfied if it knew and I am prepared at any time to tell the story if it will help to bring out the facts.

Again thanking you for the opportunity—and I will report to the church headquarters what I have seen and heard.

That was a commission of three men who undertook an investigation on their own behalf. I am going to reserve other reports for another time. I have here reports from the same church at Spencerville, from the Kingston conference of the United Church, from the Prisoners' Welfare Association of Montreal, and a very elaborate report from the Social Service Council of Canada. I am going to read just one line from the letter of the chairman of that council.

Mr. SPEAKER: I do not want to interrupt the minister—

Some hon. MEMBERS: Carry on.

Mr. GUTHRIE: I realize that I will have another opportunity, and to-day I cannot deal with the matter as I should like. However, I should like to read a few lines from a letter written by the chairman of the Social Service Council of Canada, an institution which was highly commended by the Toronto Globe when it said that since the social service council had taken up the matter there must be a royal commission. I have the full report, but I will read the letter only:

The criminology committee of the Social Service Council of Canada desire to express to you their appreciation of the permission granted several of their members to visit the penitentiaries throughout the dominion.

The impression gained by the visitors as to the management of these institutions was distinctly favourable; the reforms introduced under your administration had effected a great improvement in the whole atmosphere, while the members of the staff, especially those highly placed, seemed to be of excellent character. We believe that more improvement has been made in the last year or two than in any similar previous period and for this we express our cordial gratitude.

We understand that the government has under consideration yet fuller reforms. We hope that, broadly speaking, these will follow the line suggested in the annual reports of the superintendent of penitentiaries during the last twelve years.

The report of the criminology committee wihch has just been passed by the council, and which will be issued shortly, will be sent to you for your information without delay.

I have the report before me as well; it is too long to read to-day, but I will read it on a subsequent occasion. With a single exception all those who have gone through these institutions, all men of high standing, have reported favourably. The single exception is a man who, I am afraid, from his attitude and the remarks he made while in the institution, is friendly to the Canadian Labour Defence League.

Mr. HEAPS: I should like to ask the minister if all these reports refer only to the Kingston penitentiary.

Mr. GUTHRIE: No, they went through all the penitentiaries, but the reports seem to focus on Kingston. In no case have I had any complaint with regard to other penitentiaries, though I have had thousands upon thousands of complaints in regard to Kingston. They all point out certain matters of reform which, as I said, are still under consideration. They all refer to the question of segregation; they all deal with the question of paroles and the appointment of a parole board, either within the penitentiary staff in each institution or in some other way. There are several common suggestions in all the reports I have received, but the tenor of all has been very satisfactory from the view of the department and the staffs of the penitentiaries.

Mr. NEILL: Would the minister take just one moment to deal with the statement that is being quite assiduously circulated in certain circles, that the government gave instructions to shoot Tim Buck?

Mr. GUTHRIE: I cannot speak on that question because it is a matter which is under investigation by the courts in Toronto. This I will say, however; I knew nothing of it and heard nothing of it until I read about it in the Ottawa Citizen a few mornings ago. The matter is entirely in the hands of the attorney general of the province of Ontario, without any knowledge of the matter on my part. I have the papers here but I shall refrain from discussing the matter, because it is before the courts.

Mr. H. A. MULLINS (Marquette): Mr. Speaker, a few weeks ago I had the privilege of visiting Kingston penitentiary and looking into conditions existing there. The report given by the Minister of Justice (Mr. Guthrie) is as I found it. I entered that institution and found nothing about which I could complain. On my visit I was accompanied by one of the leading ministers of the city of Toronto, the Reverend W. A. Cameron. When we entered the institution I said this to him, "Let the chips fall where they may; we will hide nothing, and we will find out all that is going on inside this penitentiary." I went in with purely humanitarian feelings on behalf of the men. I filled my pockets with cigars which I intended to give the prisoners, but after reading the sign inside the gates to the effect that if I distributed my cigars I would have to remain inside for a period of one year and pay $100 fine, I refrained from handing them out.

The picture as I entered the gates in the company of this reverend gentleman was this: Fifty or sixty of the prisoners were in the yard playing softball. They were as fine looking young men as any man would want to look at. May I add that I was very much surprised when I saw such fine men in penitentiary, when I looked at the young men who are incarcerated there, men of the type who should be good Canadian citizens.

There has been some criticism hurled at this government suggesting that it has been guilty of certain irregularities, so far as this particular institution is concerned. So far as I could ascertain these accusations are absolutely unfair, and I could not see evidence of any irregularity or breaches of regulations as provided such as have been set out in the Toronto Globe and in the book printed by Doctor Withrow. I do not know the object behind the writing of the book, but it seems to me that the author wanted to pin the alleged unfair treatment upon this government. I went through the commissary department to find out what kind of food the prisoners were getting, and was fortunate enough to be there at meal time. The men walked in, cafeteria style. Stopping one of the prisoners I said, "Let me look at your dish." He was carrying an aluminium plate divided into four parts, in one corner of which he had some very good looking vegetables, in another corner potatoes, in another six or eight prunes and in the fourth a liberal serving of roast beef. In addition to that he had a large currant bun. Then, on top of that he had three ears of corn, and a mug of tea, I said to my friend, "It looks as though they are well fed; surely that is a liberal meal."

May I add that the meal I saw at Kingston penitentiary was more liberal than the one I had seen in Duke Street gaol in Glasgow.

Mr. VALLANCE: You have been there, eh?

Mr. MULLINS: I happened to visit that Scotch gaol on one occasion some years ago

when I was visiting Glasgow, and saw the prisoners fed on bread and water. I saw them picking oakum. Then, I saw prisoners in Pentonville prison where they were working on the treadmill. When I walked into Kingston and saw how the prisoners were living I was convinced that they were treated much better than were the prisoners in old country gaols.

Commencing my trip through Kingston penitentiary, I said to the warden, "I want to see what I want to see, not what you want to show me," and for that purpose I had a list made out. First I went into the supply kitchen and viewed the food supply. With one exception it was the very best, and concerning that exception I came back and complained to the minister with the result that I believe he has since remedied the condition. I looked into the conditions in which the men were living in their cells, and I found them just as the minister has explained,—comfortable quarters. If some hon. members in this house had pioneered out in the west they would have had to live under tougher conditions than do those inmates of Kingston penitentiary.

As the minister has stated, in the cells there are wash basins, lavatories, and a bed with a comfortable spring mattress leaning up against the wall. It was much better than the condition in Pentonville prison where the prisoners had to lie on boards with only small blocks for pillows which they put under their heads. I must say however that the men in Kingston were comfortable and they had warm blankets. They had books on their shelves, and had access to the library from which they could get any book or magazine desired.

I was very anxious to see this hole we hear so much talk about, to which reference is made in the Toronto Globe and about which so much is said in Doctor Withrow's book, and I found it below the officers quarters. I asked, "Where is this paddle? Get the paddle until I see what it is like." I do not know what the hon. member for Kingston City (Mr. Ross) has in his hand; I do not know whether it has three cornered or round holes in it. The one I saw had round holes. I said to the guard, "If you wanted to administer this instrument a little strenuously, or if you had a grudge against a prisoner you could give it to him to a degree a little stronger than tapping." The guard I interviewed said he had administered this strap for fifteen years. I said, "You should know something about it; show me the one that has the square holes." I was referring to the one about which there is so much talk in the Toronto papers and in Doctor Withrow's book. I said, "I want to see the one that has diamond shaped holes." His reply was, "We never use that; this is the paddle that we have used here." Then he got the other instrument called the cat-o'-nine-tails,—but what a difference between the one I saw in Pentonville prison and the one shown to me in Kingston. The one I saw in the Kingston penitentiary was made of a few strips of soft rope which had no knots in them, and it did not look as if it would inflict great injury upon or hurt any man very badly. In the hole where they gave prisoners the paddle there was a table similar to the bench in front of me. The process was described to me as follows: They placed the man's feet in position and strapped them, then they put his hands in position and administered the paddle about which the hon. member for Kingston City has spoken. It did not look to me as though it would hurt badly, I cannot agree with the statements made by Doctor Withrow or the Toronto Globe. I did see in the hole something which I did not like, and upon my return home I reported the condition to the Minister of Justice. There was a man there who was criminally insane, and I agreed with Mr. Cameron that he should be moved. I understand from the minister that that man was moved to Guelph and is now being taken care of under different conditions. I went through all the shops and interviewed many prisoners. I came across one prisoner whom I had known in Manitoba as a school teacher in the northern part of the province. I asked him what the conditions were. I said to him, "I knew you when you were a school teacher in Manitoba. What are you doing here?" He answered, "I am doing ten years." I said, "That is not what I asked. What brought you here?" "Insanity," he said. "What do you mean by insanity," I asked, and he replied, "I forged four cheques in Winnipeg and then four more in Toronto, and I was insane for doing it. I have ten years to put in here."

I interviewed a good many of the prisoners and tried to find what was wrong, and they told me, even Norman Ryan himself, that conditions were all right now, that the boys had cigarette papers. I did not know anything about the riot, but I want to say to this house that I went there on behalf of the inmates, and intending if I saw anything wrong that I was going to try and get it put right by going to the minister or bringing it up in the house.

All the propaganda that has been carried on by this man Withrow in my opinion is absolutely unfair to the Minister of Justice or the

previous government. After looking over that institution at Kingston as carefully as I could to see if anything could be done for the betterment of the men, I went over to the women's department, like the hon. member for Southeast Grey (Miss Macphail) did, and I saw the women that were there. I had afternoon tea there. I saw the way they were living and how they were taken care of. I found one woman there that came from Manitoba and I thought I could find out from her if there was anything wrong. I sat down with her and said, "Tell me what is wrong here. What is there that we can remedy?" She said, "Nothing at all. Look in those cells and see what you find wrong there." I looked in those cells, and this was the sight I saw. A splendid bed, with a nice counterpane on it, a nice dresser with all the toilet requisites that a woman uses. I could not see anything there to complain about. There was nothing to complain about in the food; it was the very best. I left that institution with my friend, whom most of you know, one of the most outstanding preachers in the city of Toronto, the Reverend W. A. Cameron, and I said, "Mr. Cameron, I cannot see much to complain about in this institution except that one case, and I am going to remedy it." I made a trip to Ottawa and I interviewed the minister, and that case was looked after.

Leaving Kingston penitentiary and coming to the province of Manitoba, while I was addressing a meeting in Winnipeg one day I said to the warden of Stony Mountain penitentiary, "I want to see your institution." He said, "When will you come?" I said, "I will come to-day." He said, "No, to-morrow." I said, "No, you are not going to do any window dressing for me. I want to see what is wrong with the institution." I motored out that afternoon to the penitentiary and I spent from one o'clock until seven looking over that institution very carefully. I could not see anything there that enlisted my sympathy except one poor chap that was lying very ill on a cot. I brought his case to the minister's attention and he moved right away to release him, but unfortunately the poor chap died before he was released. I also saw in that institution the cell in which a friend of mine who had lived in the city of Winnipeg had just passed away. I was aware that we would have been criticized if we had tried to get him out because it would then have been said from all corners of this house that there is one law for the rich and one law for the poor. I saw the cell that man died in, a man I had known in the city of Winnipeg for close to half a century. Looking carefully through that institution I could not see anything wrong to report. I am not discussing this question from the point of view of party politics at all. I went there to do what I could on behalf of the men, to see if there was anything wrong that could be remedied. There was nothing whatever. I can say emphatically to this house and the country that the institutions I visited are administered under the very best conditions.

I would, however, say to the Minister of Justice, and here I agree with the hon. member for Southeast Grey, that a little more money should be given to these men when they come out of the institution. Ten dollars is a very small amount.

Miss MACPHAIL: It is five dollars.

Mr. MULLINS: The hon. member says five dollars, but I understand that it is ten dollars. I understood from one prisoner that he got ten dollars, but that is a small amount for a man to start out with after being in there for a number of years, and I think a little more money should be given them until they become established and find a position.

There is another matter I wanted to mention. After visiting the institution at Kingston a man telephoned me one day and said, "I would like to see you. Is it possible to have an interview with you?" I said, "Yes, I will meet you." I did not know what his business was; he did not tell me, and I did not know what he wanted. I met him on Bay street in the city of Toronto. I did not know at that time that I was sitting in a room with the worst criminal that had been in penitentiary. He came to me with his story. He said, "You were down through Kingston. I have just been released." I asked him, "What were you there for?" He said, "Manslaughter." I asked him, "What did you do? Where did this happen?" He replied, "I had been out to a press meeting and had taken some liquor. I was driving a car and killed a woman, and I was sent to Kingston for three years." That was a deliberate lie, absolutely. He said that he had worked on several newspapers in the city of Winnipeg, on the Tribune, for one, and he enlisted my sympathy. I felt for him. He said that he had walked that morning from Parkdale down to Bay street and that he hadn't a five-cent piece. I said, "Can't you get a position?" I told him that I would try and get him a position somewhere in the city of Toronto. He said, "I cannot get a position because I have to tell every bonding company where I have been for the last two years, and immediately I tell them I have no chance

at all—I have just come from the T. Eaton Company and they have refused to give me a position." I felt very sorry for him. My sympathies were enlisted, and I said, "I am the director of a bonding company and probably I can help you out if the circumstances are as you say." When I arrived in Ottawa I went to the department and told them that I thought it was bad to have detectives shadowing these poor chaps when they came out of the penitentiaries. This man told me that when released from the penitentiary he had been given ten dollars and a suit of clothes. He stated that there was not a detective from the Atlantic to the Pacific who would not recognize the suit of clothes he was given. I told him that he must be wrong because I had looked at the clothing being made in Kingston and I could not find any distinguishing marks. I asked him how a detective would recognize the suit and he told me that the breast-pocket was put on the right-hand instead of the left-hand side. This was a deliberate lie. I told him that I had not looked close enough to find that out, but later on in Stony Mountain I asked the man who was cutting the clothing where he put the breast pocket. He told me that it was always put on the left-hand side. I asked him if this was always done, and he said it was. He told me he had been there for five years and before that had been located in Kingston, always as a cutter. This former inmate told me that he had sold his suit of clothes in Kingston for a mere pittance. He told me of other conditions which existed, of how he got in things from the outside and so on. I gave him all the money I had in my pocket, but he had told me a deliberate lie. This was his system. I was informed in the department that there were eighteen convictions against this man. When I found out that his story was a lie, my confidence was shaken. I have nothing but kindly feelings for the men in the institutions and I want to be of as much service as I possibly can.

Mr. BENNETT: Does the hon. gentleman know that that is the same person who supplied information to Campbell whose articles appeared in Maclean's?

Mr. MULLINS: Perhaps he is. I know I interviewed a magazine in Toronto where this chap had been trying to sell some articles, but he was turned down. I admit I was deceived. I felt very sympathetic towards him because he said he came from the city of Winnipeg and had been a reporter on the Telegram, an old Conservative paper which we used to have out there. He stated that he had later been on the Tribune, but I found out later that he had not been connected with either of these papers.

I think that many of the attacks which have been hurled at the minister have been instigated by this type of man. I do not know anything about the brokers about whom we have heard but if they are these chaps who put out watered stock and floated companies, I would not like to see them. Many of us here have had something to do with watered stock and our sympathies would not go out to those chaps. I knew some of them and I was sorry to see them sent there, but if they were treated in the manner stated by the hon. member for Kingston (Mr. Ross), I do not think there can be any complaint. Perhaps I would have treated them a little more harshly.

When I went to Kingston the warden told me he was glad to see me and that outside of the hon. member for Kingston, I was the only member of parliament who had been there since he had been appointed. Hon. members should go to Kingston to look into these things themselves. I think they will find that everything possible is being done for the men who are there. I visited both institutions with an absolutely open mind and if I had found anything detrimental to the inmates I would have brought it up on the floor of this house.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 15, 1934

The house met at three o'clock.

PRICE SPREADS AND MASS BUYING

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, under the heading of presenting reports of committees I beg to offer the first report of the special committee appointed to inquire into price spreads and mass buying.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, it will be noted that the numbers of copies to be printed was left blank. I asked the secretary of the committee to give me some suggestions as to the usual practice, and the suggestion is that one thousand copies in English and two hundred and fifty in French be the figures inserted. With the consent of the house I ask that these figures be inserted.

I beg to move that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INSPECTION OF APPLES

Mr. FRASER (Northumberland):

1. How many cars of apples did the fruit inspectors of the Department of Agriculture, inspect in the provinces of Ontario, Quebec, and Nova Scotia, during the shipping season of 1932-33?

2. Was an inspection fee of $3 per car charged in each case for this service?

3. If so, what was the total amount of money collected from this inspection charge in Ontario, Quebec, and Nova Scotia, during the shipping season of 1932-33?

Mr. WEIR (Melfort):

1. 5,172.

2. No.

3. Answered by No. 2.

*CANADIAN NATIONAL RAILWAYS—RAILWAY TIES

Mr. VALLANCE:

1. Have any contracts been awarded for railway ties in the constituency of Prince Albert during the years 1933 and 1934 by the Canadian National railways?

2. If so, to whom, for what quantity and at what prices?

3. Have any of these contracts been cancelled?

4. If so, with whom?

Mr. MANION: In regard to that question, the hon. member for Bonaventure (Mr. Marcil) asked the same question about his constituency the other day and I gave him the following answer:

The Department of Railways and Canals has no information with respect to tie purchases by Canadian National railways, and the railway in the past has taken the stand that the bringing down of information of this nature is not in the public interest.

If it relieves the minds of my hon. friends opposite I might tell them that I was in Geneva when the orders were given last year so I know nothing about them.

Mr. EULER: The cables were working, were they not?

UNEMPLOYMENT RELIEF, WINNIPEG ARMOURY

Mr. HEAPS:

1. Has the government agreed to the construction of a new armoury building in the city of Winnipeg, as an unemployment relief measure?

2. If such an armoury is constructed, will the government undertake to see that public tenders are called for and fair wage regulations inserted in the contract?

Mr. STEWART (Leeds):

1. No.

2. See section 36, chapter 166, Public Works Act, R.S.C., 1927, regarding the calling of tenders for works to be done by contract.

All contracts awarded by the Department of Public Works provide for minimum rates of wages to be paid by the contractor in accordance with rates fixed by the Department of Labour.

DEPORTATIONS

Mr. BEAUBIEN:

1. How many persons have been deported during the years 1930, 1931, 1932 and 1933?

2. What is the nationality of deportees?

Mr. GORDON:

1. 1930, 3,515; 1931, 6,097; 1932, 6,976; 1933, 4,679.

2.

Statement of deportations from Canada, showing country deported to, for the Calendar years 1930, 1931, 1932 and 1933

	1930	1931	1932	1933
Albania	....	....	2	....
Arabia	....	1	....	....
Austria	6	41	51	25
Belgium	8	48	25	9
British—				
England	1,393	2,068	2,151	1,309
Ireland, Northern	241	355	343	218
Ireland, Free State	72	138	136	53
Scotland	563	1,037	1,100	840
Wales	179	246	252	194
Australia	3	10	17	15
Bermuda	....	....	....	8
British Guiana	....	....	....	2
British Straits Settlements	....	1	....	....

Statement of deportations from Canada, showing country deported to, for the Calendar years 1930, 1931, 1932 and 1933—Concluded

British—*Concluded*	1930	1931	1932	1933
British West Indies	16	6	13	4
India (East Indian)	2	2	1	2
Lesser British Isles	....	....	....	10
Malta	1	1	2	1
Newfoundland	11	12	23	23
New Zealand	1	2	11	3
South Africa	....	6	1	3
Bulgaria	2	6	11	14
China	67	83	62	91
Czechoslovakia	41	240	227	114
Danzig	....	....	5	....
Ecuador	....	....	....	1
Egypt	....	....	....	2
Esthonia	3	8	3	4
Finland	77	211	309	258
France	7	10	20	6
French West Indies	....	....	1	....
Germany	93	206	212	160
Greece	10	16	13	7
Haiti	....	....	....	1
Holland	31	51	67	32
Hungary	31	119	163	101
Italy	12	19	30	13
Japan	9	7	65	27
Jugo-Slavia	32	57	125	113
Korea	....	....	....	1
Latvia	1	2	....	....
Lithuania	12	20	28	19
Luxemburg	....	1	1	1
Palestine	....	....	1	....
Poland	143	328	608	318
Portugal	1	....	....	1
Roumania	44	145	175	159
Russia	4	15	34	12
Scandinavian—				
Denmark	64	133	95	70
Iceland	1	1	1	2
Norway	44	91	104	44
Sweden	38	57	116	76
Spain	....	1	....	6
St. Pierre and Miquelon	....	....	....	2
Switzerland	24	40	29	13
Syria	1	5	....	1
Turkey	....	1	....	....
Ukraine	1	....	....	....
Ocean Port Totals	3,289	5,847	6,633	4,388
U.S.A. citizens	226	250	343	291
Grand totals	3,515	6,097	6,976	4,679

*GOVERNMENT EMPLOYEES RECEIVING WAR PENSIONS

Mr. GIROUARD:

1. How many persons employed by the government of Canada receive a pension from the pension board, in addition to their salary?

[Mr. Gordon.]

2. What is the total amount received as pension and the total amount received as salary?

Mr. CAHAN: A year ago the hon. member made a similar inquiry and an order for return was made. It has been impossible dur-

ing the year to obtain anything like a satisfactory return to that order, although to-day I have laid on the table of the house the best information we could obtain. During the present session I have laid on the table of the house sixteen portfolios containing the names of between 99,000 and 100,000 persons receiving pensions. To ascertain who of all those in the public service of Canada are receiving such pensions is impossible by mere comparison of names. It means that each department must send to every employee in the public service, permanent or temporary—

Mr. BENNETT: Including those in foreign countries.

Mr. CAHAN: —to ascertain whether that person is one of those 99,000 or 100,000 persons whose names are mentioned in the sixteen portfolios I produced. It is impossible to answer the question now, and the departments report that it is impossible to prepare an answer in less than ten or twelve months or perhaps more. Therefore I ask the hon. gentleman if he would drop that question under the circumstances.

Question dropped.

DALHOUSIE, N. B.—WHARF

Mr. MICHAUD:

1. How much money was spent for repairs to public wharf at the port of Dalhousie, New Brunswick, from May 1, 1930, to December 31, 1933, and how much in each year?

2. How much money was spent for dredging at the port of Campbellton, New Brunswick, from May 1, 1930, to December 31, 1933, and how much in each year?

Mr. STEWART (Leeds):

	Deep Water Wharf	Ferry Wharf
1.—		
1930-31	$2,096 01	$4,425 41
1931-32		1,916 87
1932-33		1,989 81
1933-34 (to Dec. 31)	803 70	
	$2,899 71	$8,332 09
2.—		
1930-31		$89,559 40
1931-32		20,980 16
1932-33		1,066 54
1933-34 (to Dec. 31)		Nil
		$111,606 10

QUESTIONS PASSED AS ORDERS FOR RETURNS

GUARANTEES, LOANS, OR GRANTS TO PRIVATE CONCERNS OR CORPORATIONS

Mr. EULER:

What guarantees or loans or grants have been made in the years 1931, 1932, 1933 and 1934, to persons, or private concerns or corporations?

Mr. RHODES: Return tabled herewith.

BRITISH COLUMBIA STEAMSHIP SUBSIDIES

Mr. NEILL:

1. What are the names of all ship owners, or shipping companies, receiving during the calendar year 1933 from the Dominion government payment for services originating either in Vancouver or Victoria, British Columbia, whether subsidized for a distinct service or receiving payment for carrying mail either on a flat rate or so much per unit?

2. What is the amount paid to each company?

3. Are any of these owners or companies required by the terms of their contracts to use British Columbia coal on their boats; if so, which, and have they adhered to such condition?

Mr. CAHAN: Return tabled herewith.

FORTY DAYS IN CANADA

On the orders of the day:

Mr. JEAN-FRANCOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, I have but one word to add with reference to question No. 3 which is on the order paper since January 30. It is the only one of my questions which remains on the order paper, and I would request the hon. Acting Postmaster General (Mr. Dupré) to kindly reply to it as soon as possible, because, should this question remain alone on the order paper, it will become lonesome and others will turn up to keep it company.

May I ask the Acting Postmaster General if question number 3 will be answered before the Postmaster General becomes a Moslem?

Hon. MAURICE DUPRE (Acting Postmaster General) (Translation): In reply to my hon. friend, I shall be in a position to give him further information within a few days.

MONTREAL–OTTAWA TRAINS

On the orders of the day:

Hon. FERNAND RINFRET (St. James): I should like to ask the Minister of Railways (Mr. Manion) if he has received any representations concerning the train schedules between Ottawa and Montreal. Both companies have reduced their schedules considerably, for which they should be commended,

but the remaining trains of both companies leave at the same hour. For instance, in the afternoon you have two trains at half-past three and two trains shortly after four o'clock, with no service at all for the rest of the afternoon. I may say that I do not speak for the members of parliament who travel on their passes; I have received many representations from citizens of Montreal who come to Ottawa in the morning and must return to Montreal not later than 4.20 in the afternoon.

My question to the minister is whether he has received similar representations, and whether it is within the power of his department to make suggestions to the companies accordingly.

Hon. R. J. MANION (Minister of Railways and Canals): I will answer the last question first. I have not received such representations, and the matter does not come within the purview of my department at all. The hon. gentleman is still mayor of Montreal, and I suggest very sincerely that he might call upon the president or the chairman of the board and make these representations in person, because otherwise I shall be merely passing on his representations to the companies. I shall gladly do so if the hon. gentleman wishes, but since he lives in Montreal it might be as well for him to take that action. I have had individuals mention the matter to me incidentally, but I have had no representations of any kind, though I think the matter is worthy of consideration.

Mr. RINFRET: Perhaps I might take the advice given by the minister the other day and ask for his cooperation. We might both do it.

Mr. CASGRAIN: Then I should like to ask the minister if we may expect his department to be abolished, because apparently it has no authority at all.

Mr. SPEAKER: Order.

MONTREAL–QUEBEC TRAINS

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Since the Minister of Railways (Mr. Manion) has expressed his willingness to transmit to the chairman of the board the representations made by the hon. member for St. James (Mr. Rinfret), I wonder if he would add those I am about to make on behalf of the city of Quebec. There is a train leaving Montreal for Quebec at 6.10 in the afternoon. Unfortunately the train from Ottawa arrives in Montreal just after the Quebec train leaves. I think it would be very easy to correct this situation, and if a change were made it would be a great advantage to all the Quebec people.

Hon. R. J. MANION (Minister of Railways and Canals): I will very gladly transmit this representation, which I think is very reasonable. In reply to my hon. friend the Liberal whip (Mr. Casgrain), who suggested that my department might be eliminated—and I suppose he suggests that I might be eliminated also—

Some hon. MEMBERS: No; oh, no.

Mr. MANION: —I should like to suggest to my hon. friend that neither under the late government nor under this government has the department anything to do with the time tables of the companies. However, I will be very glad to transmit the representations of my two hon. friends to the chairman of the board.

Mr. CASGRAIN: Might I ask the minister what are his duties now?

Mr. SPEAKER: Order.

Mr. MANION: Perhaps in a hundred years or so, when the Liberal party is in power, they may make the hon. gentleman Minister of Railways so he can find out for himself.

BANKING AND COMMERCE

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I should like to direct a question to the Minister of Finance (Mr. Rhodes). Can he give the house any information as to when we may expect the standing committee on banking and commerce to begin its work?

Hon. E. N. RHODES (Minister of Finance): I would anticipate that it would begin almost immediately, but up to the moment there is no business to be transmitted to that committee.

RAILWAY TIE CONTRACTS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I have a matter to which I should like to direct the attention of the Minister of Railways (Mr. Manion). In spite of the fact that he has repeatedly stated in the house that he is not responsible for what may be done in the administration of the Canadian National Railways I hope he will take this matter into consideration and try to get the information.

In order to put my question I will have to explain the matter a little, but I am not trying to make a speech at all. In 1932 railway tie contracts were called for, and it was stipulated that a certain amount would be paid by the contractors to the settlers and farmers for the ties they provided. This was done to help unemployment. When the contracts were issued this stipulation appeared therein, but that clause was never carried out. In many cases the contractors sold their contracts to sub-contractors for such prices that they were not able to pay the settlers and farmers the amount stipulated in the original contract.

I would ask the minister if he would be kind enough to take up the matter with the railway administration in Montreal and see why these provisions were not carried out. I am making this a statement of fact; I know what I am talking about.

Hon. R. J. MANION (Minister of Railways and Canals): Yes, I will gladly do so.

MILK INQUIRY

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): On Friday last I directed a question to the Minister of Labour (Mr. Gordon), and in his absence the Prime Minister said that the question would stand as a notice. It had reference to what the government intended to do with respect to the report of the agriculture committee with regard to the milk situation.

Right Hon. R. B. BENNETT (Prime Minister): The Minister of Labour has been ill for some days; he is here to-day, but he has not had an opportunity of seeing the question. He will answer it in due course.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, February 13, consideration of the motion of Mr. Gobeil for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Woodsworth.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Just before the house adjourned on Tuesday last, Mr. Speaker, I moved the following amendment:

> We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living.

In our judgment there are three outstanding questions confronting the people of Canada, to the solution of which the government after some three years have made no very great contribution. The first question is that of unemployment; the second is that of the public debt—and I think I might add of private debts as well—and the third is the deplorable position of the agricultural industry. In that connection also I might add the fishing industry, which is almost as badly off.

It is not my intention to quote any elaborate statistics with regard to unemployment; in fact it is almost impossible to obtain any accurate statistics. At best those in charge of the statistical department will give us only a rough estimate. Possibly however we may have some idea of the real situation when we remember that there are under relief to-day in Canada 1,220,000 individuals, including men, women and children. Some of these, of course, are among the number being assisted in the dried out constituencies of Saskatchewan. But, even making allowance for these it is obvious that a very large number are under relief because of unemployment. In my own province of Manitoba, for example, I find that in December a total of 81,943 persons were receiving unemployment relief. This figure shows an increase of 9,434 over the total for December, 1932. Other parts of the country tell a similar story.

I do not intend to quote the pre-election promises of the Prime Minister and other members of the government, as has been done so frequently in this house, but I do want to take this occasion to plead for the unemployed. I know that a constitutional question is involved. Men on both sides of the house admit that the British North America Act does not divide general and local powers in accordance with modern developments, and when it comes to a question of unemployment it seems as though we are touching one of those questions in connection with which a revision of the British North America Act is most required. It is quite obvious that the occasional case of poverty that we had sixty years ago could be dealt with locally, and was essentially a local responsibility, but I need not urge that unemployment on the vast scale that we have to-day is in a totally different category from the few needy individuals who were under poor relief sixty years ago. If we had a famine, a plague or a flood the federal government would have no hesitation in coming to the assistance of a province. I suggest that wide-spread unemployment is almost as disastrous as a flood or a plague, and until such time as we can secure

an amendment to the British North America Act which will legally place all responsibility upon the shoulders of the federal government —where I believe, it ought to be—it seems to me that the federal government should be willing to assume the responsibility. As it is to-day we have a tri-partite arrangement under which the federal government gives a certain proportion of relief, the provincial another, and the municipal another. As the years have gone on the provinces—this applies at least to those in the west—have become less and less able to assume their share of this burden, and the municipalities are in a worse plight. Several of the schemes that we have are dependent on the cooperation of the municipality, but in many instances those municipalities are not in a position to put up the necessary funds.

Just before I left home I met a delegation from a small municipality in my own district where certain individuals wanted to be sent out under the farm scheme. As it was under an administrator the municipality could not possibly advance the funds necessary, hence the men who were very needy could not come under the governmental scheme. In fact, in that same municipality men told me that they were living in a condition very little removed from serfdom, that they could not leave the municipality even for a few days without reporting to the relief officer. If they failed to comply with such regulation they were immediately cut off from relief. That is not a condition which should prevail in a free country.

Then, as to food, many families are receiving an amount smaller than that which is necessary to maintain them in proper health. I wonder whether we realize, too, that very often the clothing is altogether inadequate. The difficulty is that it is not merely insufficient to keep out the cold in this extreme winter weather, but in addition to that it is contributed very largely by private and philanthropic relief agencies of various kinds, with the result that for some years a great many people have been forced to be clothed with second-hand clothing. I believe that has a most demoralizing influence on a family. I suggest that very few of us could stand up under that kind of thing month after month and year after year.

Then, there is the question of shelter. I believe it is generally recognized that in order to maintain an ordinary family in decency there should be so many rooms in which they are to live. Many families are being huddled into a single room,—men, women and children indiscriminately. Social workers are meeting with cases of immorality with which they have to deal, and which have arisen through such housing conditions.

Another difficulty which comes before us very frequently in this extremely cold weather is that concerning fuel. Food, clothing and shelter used to be considered sufficient to cover all the vital needs, but in these days we need fuel. In many parts of the country, particularly in the west, there is no wood available. Frequently coal is not supplied, and often when there is a supply of wood it is of a very poor type, such as poplar which will not burn throughout an entire night, a condition which is not pleasant in our forty-below-zero weather, and one which causes great suffering to women and children. Such matters are not taken into consideration when relief measures are considered.

Mr. DUPUIS: Will the hon. member allow a question?

Mr. WOODSWORTH: Yes.

Mr. DUPUIS: What section of the British North America Act does the hon. member wish to have amended, and in what way?

Mr. WOODSWORTH: I do not wish to discuss that matter to-day, but I was speaking of unemployment.

Mr. DUPUIS: We would like to know, because I understand the hon. member is making a suggestion.

Mr. WOODSWORTH: Quite so; the British North America Act ought to be amended so that a large volume of unemployment such as now obtains should not be left entirely to the responsibility of the province or municipality, but should become a responsibility of the federal government. I have that particular clause in mind.

Mr. DUPUIS: It is now under provincial jurisdiction?

Mr. WOODSWORTH: Yes, so it is claimed,—section 92.

Returning to the subject of relief may I say that in addition to food, clothing, shelter and heat there is the necessity for light. Perhaps when people used candles or lamps they could get along, but now most homes are lighted with electric lights and unless there is an allowance made for that the family is in darkness.

Mr. St. PERE: Mr. Holt is cutting off the light.

Mr. WOODSWORTH: One hon. member from Montreal has suggested that Mr. Holt is cutting off the light. There is not much

doubt but that is the case in Montreal. Then, there is the difficulty I mentioned the other day, namely that of medical attendance. Hardly any family can get through a year without some medical or dental attendance. So far our relief arrangements have made no provision for such attendance. While sometimes people can get through a few months without medical attendance, as year after year goes by teeth will decay, adenoids and all that sort of thing will develop. In some cases glasses have to be obtained, if children are to have the benefit of education. These contingencies are not fully provided for.

In addition to that, though some may think that I am now going too far afield, I would point out that a great many children cannot even get the money to buy the necessary school books, pencils, scribblers—those little things that may be thought beneath the dignity of parliament to consider but which are very vital indeed when you come to the family budget.

There is the question of recreation. We cannot hope that whole families will go along year after year without any provision for recreation. At least the families will not be in very good condition if they do so. This opens up a tremendous field. I think of the fathers, many of them going along from year to year without any employment and losing their self-respect. I think of the mothers becoming discouraged, unable to maintain their hope for the future. I think of the children growing up never having known their father to be at work, never having known what it is for the family to be independent, and they themselves without any prospect even of securing a job.

Mr. ARTHURS: There are some like that in good times.

Mr. WOODSWORTH: That is quite true, but they are comparatively rare. My point is that even the best families are going to suffer deterioration under conditions that now prevail.

Then there is the question of the single men, of whom more than 48,000 are to-day employed chiefly in our relief camps. These relief camps are being maintained under the Department of National Defence. I do not think it is a good thing that this relief work should be placed under the military in any way whatever. I admit that these men are receiving decent food, and in many cases clothing and shelter, but I do submit that there is nothing in the life of the relief camp to give these men any real hope. I think it is the surest way to develop bums and criminals.

Mr. BOUCHARD: That is a national offence.

Mr. WOODSWORTH: Yes it is, and it should be so considered, and ruled out of order. But in all seriousness I do suggest that you cannot expect young men in the prime of life to go into these camps to get a bare living month after month, and some of them year after year, without their losing hope. I think of the moral influences which prevail in such places. Young men who under normal circumstances would have a certain amount of social life and would look forward to marrying and rearing their own families are now deprived of all the amenities of home life and are simply kept in these camps for an indefinite future. Really I wonder that there are not more criminal acts in this country than there have been in the immediate past.

I also think of some of the younger people in their parents' homes some of whom have passed out of school but cannot get work, and some of whom have never yet had a job. I know some children who are repeating their last year in school simply because there is nothing else for them to do. Others of them are wandering around the streets and contracting all sorts of bad habits.

I say, Mr. Speaker, that this is a serious national situation that confronts us, and I submit that if this kind of thing is allowed to continue very much longer it will be impossible to maintain the morale of our people.

Further, there has been an enormously heavy expenditure with nothing to show for it. A few years ago the Prime Minister stated that he was opposed to the dole, and he provided a measure of public works. Later on it was said that the public works were too expensive, and we went back again to the dole.

Mr. BENNETT: May I correct the hon. gentleman? The provinces selected that form of relief.

Mr. WOODSWORTH: That may be, but again we get back to this question of jurisdiction. The provinces selected that form of relief because it was impossible for them to put up their share of the funds to carry on the public works. Everyone knows that to be the case, and the government cannot escape the responsibility for the change of policy simply by shifting it on to the shoulders of the provinces which could not possibly go through with the original program. We cannot ascertain very closely just what is being expended. I am told that up to

February of the present fiscal year some $17,000,000 has been expended, and in the month of December last the Dominion government expended in direct relief no less than $6,000,000. If we wish to calculate the total spent on relief, we must remember that in very many instances the provinces to-day are spending as much as the dominion, the municipalities as much as the provinces or the dominion, and on top of that there is the enormous sum provided by private philanthropy. It is an appalling situation

What steps are being taken to meet this situation outside of the dole, if I may call it such, for such I think it is? I think a few years ago we were all reading articles on technocracy which made us realize that at least in mechanical industries a smaller number of men could produce all the necessaries of life. Perhaps everybody does not realize that more or less the same thing is taking place in the industry of agriculture. I hold in my hand an article written by Frank H. Williams, and published recently in the Free Press, in which it is stated that one Alberta farmer not very long ago harvested some 10,000 bushels of wheat without employing a single hand. He was farming some six hundred acres and using modern machinery. There are probably over eight thousand combines in the west to-day. That means simply this, that whereas in the old days when the cities were overcrowded we could send a great many of our young people out to the country to help with the operations on the farm, and farm boys in one district could move into another district where there was more work, that source of work has now been shut off, and, I think, shut off permanently.

There are some people who tell us that the back to the land movement will save the situation. I cannot see it. Already we are producing more on the land than we can market, and if we send people out to the land they would meet a large number coming back from the land into the cities. If we reduced our farmers to the peasant status it might be possible for them to live on small patches of land. That might be possible in the east, but it would not be possible in the climate and under the conditions which prevail in a great many parts of the west.

We have urged in this house again and again that under these circumstances the government should put into force some sort of unemployment insurance. That was urged only two or three days ago by the Trades and Labour congress. I quite admit that there would be difficulty at this time in piling up sufficient reserves, but in this matter we are somewhat in the position of the Irishman who was going to thatch the roof of his cottage. When it was raining he could not thatch the roof, and when it was not raining he did not need it. We do not seem to get unemployment insurance started either in times of employment or in times of unemployment.

I do not propose to discuss the vexed question of whether unemployment insurance should be contributory or not. The non-contributory schemes have been so overtaxed in Great Britain and other countries since the depression that they have more or less broken down. It might be difficult at this time to set up a contributory scheme which would meet the needs of the vast majority of our unemployed people. It might meet the needs of a certain number. I submit that sooner or later we must face the conclusion that industry should carry its own burdens instead of allowing the poor individual worker, who to-day has no control over his conditions of work, to bear the whole brunt of unemployment.

I am glad to know that the government proposes to put into effect some sort of scheme of public works. This seems to me to be a step in the right direction although it has been too long delayed. The scheme proposed is as yet indefinite but if it contemplates joint action with the provinces and the municipalities, as was done before, I am afraid that it will be foredoomed to failure. Many of our most needy districts are not able to bear any proportion of the burden of public works. If public works are to be undertaken I urge that they be in the form of the building of homes for the people rather than the erecting of more or less unnecessary public institutions. In time such homes would become self-supporting and not be a permanent burden upon the taxpayer. I do not think I need to develop this phase of the question much further. The hon. member for Macleod (Mr. Coote) covered this phase very well in the resolution he moved the other day, which read:

> That, in the opinion of this house, in view of the large number of unemployed, and with the necessity of increasing the purchasing power of the people, it is expedient that the government give immediate consideration to the inauguration of a large scale program of public works, to be financed by a direct issue of non-interest bearing dominion notes.

It seems to me to be intolerable that we should have in Canada such abundant resources, that a portion of the population

should be living in comfort or even luxury while a considerable portion is living in abject misery or great anxiety. The present system under which we are working is tending gradually to aggravate that situation.

I should like to give the house some figures to show how wages have failed to keep pace with dividends. A study of the sheltered industries demonstrates this very clearly. In 1930 the dividends and cash bonuses paid showed an increase of 18·9 per cent while the wages paid showed a decrease of 8·8 per cent. In 1931 the dividends and cash bonuses decreased by 1·6 per cent but wages decreased by 35 per cent.

Mr. MORAND: Is that due to the number of employees or to the rate of wages?

Mr. WOODSWORTH: That is not apparent from the statistics which I have. The Dominion Bureau of Statistics gives the total amounts paid in wages while the dividends are based upon figures which appeared in a survey of corporate securities issued by the Financial Post in 1933.

Mr. HACKETT: All held in Canada?

Mr. WOODSWORTH: The dividends are created in Canada. In any case, they demonstrate my point that wages decrease much more rapidly than dividends and that while in some cases dividends may increase, wages go on decreasing.

Mr. MORAND: That may be due to the use of machinery.

Mr. WOODSWORTH: That may be so; I am indicating a problem which is perhaps created largely by machinery.

Mr. BENNETT: Does the hon. member know that many of the industries making returns are merely turning an old dollar into a new one in order to give employment? During the last few years I am bound to say that this would apply to at least thirty per cent of the industries.

Mr. WOODSWORTH: I am not at all sure that that would affect the significance of these figures.

Mr. BENNETT: Oh, yes, it would.

Mr. WOODSWORTH: I might say that in connection with the iron and steel industry I was unable to obtain the figures for 1932 In 1930 the dividends and cash bonuses paid in the oil refining industry decreased ·1 per cent while the wages decreased 1·6 per cent. In 1931 there was an increase in dividends and cash bonuses of 1·2 per cent but a decrease in wages of 28·8 per cent. In 1932 the increase in dividends and cash bonuses amounted to ·7 per cent while the decrease in wages amounted to 33·2 per cent. The figures with regard to the sugar refining industry are even more startling. In 1930 there was an increase of 84·9 per cent in dividends and cash bonuses while wages decreased 3·5 per cent. In 1931, dividends and cash bonuses increased 198·1 per cent while wages decreased 13·7 per cent. In 1932 the increase in dividends and cash bonuses amounted to 254 per cent while the decrease in wages amounted to 19·7 per cent. I think these figures demonstrate clearly that there is no proper relationship between wages and dividends. The figures for these industries are taken from tables which cover other industries as well, but I have not the time to give the house the detailed information. The other industries include cement, chemicals, bonds, gold, silk, electrical apparatus, meat packing, brewing and glass. The totals for these industries are as follows:

Year	Dividends and cash bonuses	Salaries and wages
1929..	$49,543,232	$232,994,000
1930..	53,001,249	222,801,000
1931..	53,017,954	184,378,000
1932..	49,263,613	148,693,000

Mr. CHAPLIN: The hon. member is giving the figures for salaries in millions where it should be thousands.

Mr. WOODSWORTH: I am giving millions where it ought to be millions. I might say that the decrease in salaries was quite small when compared to the decrease in wages. I think these figures show clearly that wages and salaries, which in the long run mean purchasing power, are not keeping pace with the increase in dividends and cash bonuses. We are being required to pay an ever-increasing amount of fixed charges while we are receiving smaller and smaller amounts with which to carry that burden. Surely this kind of thing must inevitably lead to disaster.

I come now to the second question, that of the public debt. Every year we have presented to this house large blocks of expenditures which are classed as uncontrollable expenditures. These are increasing steadily from year to year. We sometimes make a cut in the services to the public but we never think of cutting the interest charges. I do not think this matter has ever been better put than it was by the Prime Minister (Mr. Bennett) in the statement he made before the committee on monetary and financial

questions at the Imperial economic conference of 1932. I should like to quote one or two paragraphs, as follows:

Interest charges represent the most important of the fixed or semi-rigid elements in our cost structure. If prices remain on their present level, such charges will constitute an intolerable or almost intolerable burden in many cases. Even if it can be borne, the fortuitous gain to the creditor of 40 to 48 per cent in general purchasing power above what he contracted for appears to be a grave injustice.

That is the contention we have been making for a great many years in this corner of the house; the bondholder is receiving almost half as much more than the amount to which he is entitled. The Prime Minister admits that he is not entitled to receive what, to use his own words, is a fortunate gain. But we the taxpayers of the country are continuing to pay it. I ask the Prime Minister: What is he doing about that situation? His government has been carrying on for over three years now, and there has been no effort whatever to reduce that burden of public debt.

Mr. BENNETT: We did convert $640,000,000 of debt and in my judgment, as I have stated publicly, the only conversion that is possible now on any large scale will be after the last of the 5½ per cent tax exempt securities fall in 1937. I will give in due time the reasons why.

Mr. WOODSWORTH: I shall be glad to receive that information, but that does not touch the main question as to whether, because of some arrangements made years ago, we should go on indefinitely paying 40 or 50 per cent higher than what is just. I do not see why we should continue to do so simply because of financial arrangements which legally have made it possible. That is something that cannot be got round by such an answer, as given by the Prime Minister. It is all very well to talk about keeping contracts; but when the terms of the contract are fundamentally changed there surely is need to revise the original contract. I continue to quote the Prime Minister:

Moreover, such fixed charges, except as they are reduced by bankruptcy and reorganization, are not being adjusted by the normal corrective processes which falling prices are supposed to set in motion. Indeed, it seems that new disequilibria are created almost as rapidly as old maladjustments are corrected and the paralysis of business enterprise with profit margins uncertain or non-existent continues. Trade languishes and unemployment persists or tends to become aggravated. One of the most important effects of the fall in prices is the increased burden of the fixed charges payable on our governmental and private obligations held abroad, chiefly in the United States and the United Kingdom.

[Mr. Woodsworth.]

And later on.

As one dollar to-day will purchase at wholesale 48 per cent more than it did in 1929, the real burden of the service charges on these foreign obligations has increased from $362,000,000 to $535,750,000.

I would point out to the Prime Minister that after all it is an arbitrary arrangement by which bonds and mortgages have a first claim on national or private income. Why should the man holding a mortgage receive 100 per cent before the man who has given the mortgage is permitted to have anything at all. I know that this is the ordinary arrangement to-day; but when there is such hardship in the country why should it remain the ordinary arrangement? We cannot remain oblivious to the appalling effect upon great masses of the people, and in my judgment the time has come when that convention, though it is legalized, will have to be fundamentally changed. There are some limits to this in ordinary life. If the bailiff goes in there is usually something left; he cannot strip the house of everything.

An hon. MEMBER: Not much left.

Mr. WOODSWORTH: Not much left, I admit, but there is something in the way of compassionate allowance permitted.

Mr. BOURASSA: Tools for work.

Mr. WOODSWORTH: Yes. But in larger affairs that is not permitted; there is nothing of that kind in the realm of national or international affairs. There are also in business what are known as insolvency proceedings, and when a man is utterly incapable of ever paying in full he is allowed to pay off his creditors at so many cents on the dollar and he goes free. I fancy we shall have to have some such process in connection with large public indebtedness; under this system there is no other way out.

The other day I called attention to the fact that we had a debt, federal, provincial, municipal and in connection with public corporations, of over $800 per head. There has been a scaling-down of certain international debts, even Great Britain practically falling in line, although it may be said that she has given a token payment to the United States. There is not the slightest doubt in my mind that we shall have to have some scaling down of internal debts as well. Even Great Britain did that when she went off the gold standard;

she did so at one stroke to the extent of 25 per cent. France did the same when the franc fell from 20 to 4 cents, making an enormous reduction in debts. Why should we continue to stagger under a tremendous load simply because we have some fantastic ideas with regard to "national honour," "sound money" and the like. Have we no national honour with regard to the 1,220,000 people under relief, and at that such inadequate relief, or the millions of other people who hardly know which way to turn?

Mr. DUPUIS: What is the actual value of the Canadian dollar?

Mr. WOODSWORTH: I leave the Minister of Finance to answer that. We could cut down the face value of bonds, or reduce the interest on bonds, or there might be some form of reflation: or a special tax might be put on wealth, which latter I think perhaps would be the best way of meeting the situation.

Mr. HANBURY: What about repudiation?

Mr. WOODSWORTH: I am not suggesting repudiation; I am suggesting another way of getting at the difficulty. The greater part of the bonds are undoubtedly held by the wealthy; the wealthy people should be called upon much more than they are to pay interest on these bonds.

An hon. MEMBER: Where are they?

Mr. WOODSWORTH: There are some very wealthy people in this country.

Mr. CASGRAIN: There are no more.

Mr. WOODSWORTH: Yes, there are.

An hon. MEMBER: How many?

Mr. WOODSWORTH: We are not permitted to know. The Minister of Finance says that it is not in the interests of the people to know who they are. The truth is it is not in the interests of the wealthy people; that is the real situation.

Let me pass on now to the other matter which we have included in our resolution, that is, the deplorable condition of agriculture. We cannot hope for general prosperity in this country unless there is an improvement in agricultural conditions. It becomes necessary to bring the prices of agricultural and other primary products somewhat into line with those of other commodities. I know that this is a problem that faces all countries, but none the less it is a matter of concern to Canada. Here again I think perhaps I am on safe ground if I quote from the Prime Minister himself. In the same statement from which I quoted a few minutes ago, before the committee on monetary and financial questions of the Imperial economic conference of 1932 he said:

> Canada, like all other countries, has suffered severely from the calamitous fall in commodity prices. Since August, 1929, our index of wholesale prices has fallen 32 per cent and is now only 4 per cent above the pre-war level. This means that the dollar has increased in purchasing power by 48 per cent. As a result of this rapid and persistent decline in the general price level and the inevitable disparities created between different kinds of prices, normal business relationships have been disrupted, profit margins have disappeared in many cases, enterprise has been discouraged, unemployment has steadily increased, the fiscal problems of all our public bodies have been greatly aggravated, and the burden of fixed charges is exerting an almost intolerable pressure upon some of the strategic elements in our national economy.
>
> Only a few facts need be cited to illustrate the way in which the traditional alignment of economic forces in this country have been sundered by the different rates of speed at which the various parts of our price structure have succumbed to the deflationary pressure of falling prices.
>
> While wholesale prices have been falling 32 per cent, our cost of living index number has fallen only 19 per cent. On this basis the purchasing power of the dollar has increased 24 per cent.
>
> Prices for raw materials, here as elsewhere, have fallen much more rapidly than wholesale prices generally. Thus, prices of raw and partly manufactured materials have fallen 47·3 per cent since August, 1929, whereas prices of fully and chiefly manufactured articles have declined only 26·0 per cent. Farm products have been particularly hard hit, the decline averaging 56·4 per cent. Wheat, the staple of the western farmer, has fallen from an average price of $1.50 per bushel in 1926 to 55 cents in June, 1932, a drop of 63·3 per cent, giving an index of 36·7 as compared with one of 70 for manufactured goods at wholesale.

It is over a year and a half since the Prime Minister gave that very clear statement of the situation. But what has he done to alter or better the situation?

Mr. MYERS: A whole lot.

Mr. WOODSWORTH: Some hon. member says a whole lot. The western farmers cannot see where it comes in.

Mr. MYERS: Farmers are not all in the west.

Mr. WOODSWORTH: The eastern farmers cannot see it either.

Mr. MYERS: They are better off.

Mr. CASGRAIN: They are worse off.

Mr. WOODSWORTH: The Prime Minister now proposes to limit the production of our chief agricultural commodity, wheat.

Mr. BENNETT: At the instance of the provinces.

Mr. WOODSWORTH: Yes, I am quite willing to add, at the instance of the provinces. And as I said before, I think probably under the circumstances it is an almost inevitable development. But I want to say that if that action is to be any advantage at all it has to be followed or accompanied by some measure of price fixing; otherwise it may prove disastrous.

Mr. BENNETT: The hon. gentleman is quite within his rights in saying that, because the advisory committee, meeting at London, with the importing and exporting countries, have been considering that very point within the past six weeks.

Mr. WOODSWORTH: That is all very well for the advisory committee sitting in London, but what I want to know is what the government sitting in Ottawa is going to do.

Mr. BENNETT: They cannot fix prices.

Mr. WOODSWORTH: The Prime Minister says they cannot fix prices. Ottawa cannot fix prices in the world market, but Ottawa can fix prices in the domestic market.

Mr. BENNETT: No. They cannot fix prices in England, neither can they, according to the judgment of the privy council in the Board of Commerce case and the newsprint case, fix prices in Canada. That is for the provinces.

Mr. WOODSWORTH: There again we come to the British North America Act. I submit that if this federal government were serious about the matter it would be comparatively easy to arrange such matters at least with the three prairie provinces, that are most concerned. We have the fruit-growers of British Columbia begging for some sort of legislation to be enacted here in order that they may be able to control their product in British Columbia. I think the time has about come that the public will not much longer tolerate this shoving of the matter by the federal government over to the provinces and the provinces footballing it back to the federal government. Where there is a will there is a way!

Only the other day in Manitoba I was handed a memorandum by an actual working farmer which I think fairly well puts the position as the farmers, or at least a considerable number of them in the west, see the situation. I should like to read a few paragraphs:

> First let me ask: Does the farmer as the primary producer of food, perform a necessary service to society in general that entitles him to a decent living, an opportunity to retire at sixty or seventy years of age on something better than our present old age pension, and in the meantime be able to pay his way, pay taxes and have some slight chance to keep free from the nightmare of debt that is his present heritage? If the answer is yes, then why do the people in the urban centres of this dominion "through the medium of the processors and distributors of foodstuffs" absolutely refuse to pay to the farmer the costs of production of the food they eat? . . .

I think it is clear that the farmer to-day is producing at less than cost price, and at less than a price that would enable him to maintain a decent standard of living. It may be that a very large proportion of the difference between the cost price and the sale price, is taken by middlemen, but in that case the government must intervene. He goes on:

> The railways charge the same or higher rates on all our products. The commissions for selling grain and live stock and charges at stockyards are the same as when prices were three times what they are now. Packers and retailers are charging for their services, a higher percentage of the retail selling price than ever before, with the inevitable result that the portion of the consumer's dollar that now reaches the farmer is the lowest in the history of this dominion, and as a result our purchasing power has almost vanished. . . .

I wish the eastern manufacturers could really see the significance of the failure of the western farmers. I cannot see how the east is going to be prosperous unless we have prosperity among our farmers in the west and our farmers all over. I continue to read:

> No appreciable or permanent improvement will or can ever take place until some system is devised whereby the price levels of the main necessities of life are permanently fixed and stabilized in as far as that portion of farm produce that is consumed in Canada is concerned, and some definite control established over processors, distributors, etc., so that each may receive their fair and just share of the final retail price according to the service they perform.

My farmer friend then goes into some computations as to what has been lost in the last two or three years by the farmers of the three prairie provinces; that is, taking the price level of 1929 and comparing it with the price levels of later years and showing the smaller returns that go to the farmer. Then with regard to grain, suppose a dollar a bushel represents a fair return to the farmer for his wheat; the difference between this and

the price he has actually been receiving means an enormous loss to the farmer. It is a mere guess, but it is calculated that through changes in the price level the farmers of western Canada have lost in the last three years something like half a billion dollars. Let me point out that if that figure is at all correct that means half a billion dollars less of spending power, and that affects the whole country.

My farmer friend goes on to offer a suggested resolution which I think is worthy of consideration by this house; I offer the first part of it:

> In view of the fact that agriculture is in a most deplorable condition, having suffered more than any other industry from the depression, loss of markets and the foreign exchange situation, and that there is no improvement in world markets yet in sight;
>
> This house hereby instructs the government to at once to appoint a non-partisan board or boards with full and arbitrary powers to, first, determine and fix a fair price that shall be paid to all primary producers of the main necessities of life, food, clothing and fuel that are produced and consumed in Canada, and control the marketing of same; second, determine and fix maximum prices that may be charged by those engaged in transporting, processing and distributing said necessities within the confines of this dominion; third, to have complete control of the marketing abroad of all surpluses of agricultural products that may be under price control.

When the government is so solicitous of the welfare of big industries in this country, so careful to protect them from outside competition. so careful to see to it that there are such arrangements as will enable the banks to maintain their earnings and to enable the railways, if not to maintain their earnings at least to guarantee their shareholders from loss, it does seem to me that the time has come when something should be done for the agricultural worker in this country.

Mr. BENNETT: I think I shall have to correct the hon. gentleman; there has been no guarantee that the shareholders will not sustain a loss. On the contrary it is quite possible that they may; they have already had a loss, on paper.

Mr. WOODSWORTH: Then the situation is worse than I had painted it. I am talking about the shareholders of the Canadian Pacific Railway, and if even the $60,000,000 guarantee is not going to save them I say the situation is much worse.

Mr. BENNETT: That was not what I suggested.

Mr. WOODSWORTH: Would the Prime Minister repeat his statement; I did not quite catch it.

Mr. BENNETT: The hon. gentleman said the government had guaranteed that the shareholders would not sustain loss. I am bound to say that if he will read the document he will see that this is not what was said. He will observe that $100,000,000 of the four per cent securities of the railway company were delivered to the banks as security for the guarantee of $60,000,000. If there is a failure to pay, under the provisions of the statute the shareholders are squeezed out and the four per cent security holders take possession of the property.

Mr. WOODSWORTH: If the securities were not good enough for that loan I cannot see that the securities were worth enough to be very much good to this government.

I recognize, Mr. Speaker, that the suggestions I have offered involve a very considerable departure from the conventional ideas that we have held with regard to the conduct of business in this country, but I submit that our present capitalistic system has proven itself not capable of paying dividends and at the same time paying wages, and that our government is not in a position to pay fixed interest charges on bonded indebtedness and at the same time give those services for which the government exists. That is the inescapable dilemma which we find presenting itself at the present time. A few weeks ago I was very much interested in an editorial appearing in the Winnipeg Free Press in defence of capitalism; It stated:

> Capitalism offers to everyone a free field to produce whatever he can and to sell for what he can get. . . . Capitalism, like socialism, has a well rounded theoretic base, and the chief practical advantage based for it is that it brings about the steady rise in living standards which result only from a constant gain in productive efficiency.

The fact is that capitalism is not bringing about a steady rise in living standards.

Mr. HANBURY: What has brought it about?

Mr. WOODSWORTH: Undoubtedly in the past capitalism has brought considerable gains in the standard of living; I do not deny that, but I say we have reached the point where that is not true to-day.

Mr. NICHOLSON: Then we should revert to the old order.

Mr. WOODSWORTH: No, we should not revert at all; we should go on to a new order. It is very easy for an hon. member to say that we should revert to the old order. I do not think we can turn back the hands of the clock; we must proceed to a new

order. This very editorial in the Free Press is followed by a second editorial, from which I should like to read a few sentences:

> . . . the city also gives relief to a large number who are working but not earning enough to support themselves and their families. . . . But many employers are taking advantage of this situation to pay extremely low wages. . . . It may well be that some employers are so hard pressed that they could not pay normal wages. . . . But employers should not be allowed to take undue advantage of the fact that relief is available for those who do not earn enough to maintain their families.

The editorial refers to some employers paying as little as $6 a month. There you have an example of a very distinct lowering of our standards of living, and advantage is being taken of the giving of relief. Practically, relief is a subsidy to low wages. That is an intolerable situation.

The other day the hon. member for Vancouver Centre (Mr. Mackenzie) referred to us in this corner as wild-eyed socialists, and one might imagine that we had not given very careful consideration as to how the policies which we advocate are to be brought about. I will not take time to-day to indicate in detail how these policies can be carried out, but I would venture to refer the hon. gentleman to a little pamphlet issued not long ago entitled Social Reconstruction and the British North America Act, by F. R. Scott, who is associate professor of constitutional law and federal law in the faculty of law of McGill university. This pamphlet is devoted to a consideration of these problems, "Can we build a new society without destroying the constitution?" and, "Is the C.C.F. program possible under the British North America Act?" Anyone who is interested in these questions has ample opportunity fully to consider them from the purely constitutional point of view.

Before I sit down I think I must not allow to pass altogether unchallenged certain statements that have been made in this house with regard to the C.C.F. group. There has been adopted what I consider to be a very unfair method of attack. Individuals have busied themselves in making collections of press clippings, and it must be remembered that many of the newspapers are Liberal or Conservative, sometimes prejudiced against us and sometimes very hostile to us. In many cases the reports are by no means fair representations of what was actually said. So we find individuals in this house who have nothing better to do than go through the files of their own papers, collecting the most unfair of these reports, and then reading them to the house as though they were fair accounts of what the C.C.F. stood for. We have no adequate press service, so I should like to correct one or two of the outstanding misrepresentations which have been made in this house, as well as one or two which have been made outside. The hon. member for Weyburn (Mr. Young) is reported by the Weyburn Review, of November 2, to have stated:

> Referring to the Beauharnois case, Mr. Young said money had been sent by this corporation to Winnipeg to help the C.C.F.

I hope the hon. member for Weyburn made no such statement, as it is absolutely untrue.

Miss MACPHAIL: The Liberals got it all.

Mr. WOODSWORTH: It is preposterous that a member who is a supporter of a party that has had to pass through the valley of humiliation with regard to the Beauharnois case should try to unload any share of the blame upon any member in this corner of the house.

I would direct the attention of the house to the fact that there is now pending a suit for $53,972, launched against Sweezey by the executors of the Sifton estate. According to the press, the brothers of Mr. Sifton claim that he exacted an advance payment of $5,000 from Mr. Sweezey when he undertook the furthering of Mr. Sweezey's interests with the understanding that $50,000 additional was to be paid over if the administration of Right Hon. W. L. Mackenzie King, then Prime Minister, approved the Beauharnois canal plan. The Siftons maintain that their brother in fact rendered the required services to Mr. Sweezey so effectively that the development of the Beauharnois project was approved by two orders in council dated March 8, 1929, and June 22, 1929.

In view of circumstances of that kind I think it ill behooves the hon. member for Weyburn to make the statement which he is reported to have made. I say that statement is as untrue as the statement made in some parts of Quebec to which the hon. member for Labelle (Mr. Bourassa) referred, to the effect that the C.C.F. was in receipt of money from Moscow. It seems to me ridiculous that we should have to be subjected to such statements as that.

Miss MACPHAIL: We are in receipt of money from nowhere.

Mr. BOUCHARD: Have you any?

Mr. WOODSWORTH: I am willing to share with my friends from both political camps all the money I have received from Moscow.

Then, only a few days ago the hon. member for Vancouver Centre made reference to the defeat, as he described it, of the C.C.F. in British Columbia. I believe the hon. member was unfair in his reference or I would not refer to the matter. He spoke of the C.C.F. through a large number of years having advanced from four to seven members in the British Columbia legislature. Of course we know that the C.C.F. came into existence only about a year and a half ago. There were some socialist members who sat in the British Columbia legislature some twenty years ago. The hon. member for Vancouver Centre did not point out that whereas the Liberal party in the recent provincial election secured something like forty-two per cent of the votes cast in the province of British Columbia, the C.C.F. secured about thirty-three per cent. If there had been a system of proportional representation the situation in the legislature of that province would be very different from what it is to-day. I think instead of finding those figures anything to gloat over the hon. member might very well read the summary of the situation as it appeared in the Montreal Star of November 7. I quote the last paragraph of the editorial:

> The point we are seeking to make is plain enough. The Conservative party disappeared from the scene in British Columbia. This ensured a smashing Liberal victory. But there is no talk of either of the old parties disappearing in any other contest, especially in the federal contest. Presumably, they will be waging a furious party fight along the old lines. This will in many constituences divide the old-line vote fairly even, and let the C.C.F. candidate win if he gets slightly over one-third of the electorate. So when we are sending wreaths to the grave of the C.C.F. because of their failure with Stubbs—probably a poor candidate—and their comparative failure in British Columbia with one of the parties eliminated, we had perhaps better save our money for propaganda among the electors on the necessity of postponing our sham party fights for a while and facing a real danger—an economic revolution that would wreck most of our established institutions.

Mr. MORAND: Do you agree with that statement?

Mr. WOODSWORTH: I agree with the summary of the election results. So far as the wrecking of our institutions is concerned, may I point out that in my judgment the program of the C.C.F. is the only thing which will save our institutions. But the point to which I would refer particularly in this connection is the type of campaign waged against the C.C.F. in British Columbia and which, it appears, is to be maintained in this House of Commons.

For example, there was an indefensible and irreverent expression used by a man who was a C.C.F. candidate in the recent provincial election in British Columbia. That expression was heralded throughout the country as being representative of the general point of view of the C.C.F. Let me point out to this House of Commons that the expression to which I have referred was used fourteen years ago, but was dragged out in this election and quoted frequently, as if it had been uttered during the election campaign. That is not fair play, and I hope no hon. member in this house will defend it. For a year that particular candidate had been vice-president of the Union of Municipalities of British Columbia; for two years he had been president of the Union of Municipalities of British Columbia; for one year he had been chairman of the committee on unemployment of the Union of Canadian Municipalities, and he had been reeve of Burnaby. He had been living an eminently respectable life, and yet because fourteen years previously he had made a mistake, he was criticized.

Mr. HANBURY: He does not think it is a mistake.

Mr. WOODSWORTH: The hon. member for Vancouver-Burrard (Mr. Hanbury) states the gentleman does not think it is a mistake.

Mr. HANBURY: He does not.

Mr. WOODSWORTH: I am glad the hon. member has made that statement. This is what the gentleman in question said in regard to the matter:

> At the convention of trades unions of western Canada, very early in the year 1919, I made a chance remark—there was no speech—on the spur of the moment which I not only regret at this present time, but regretted immediately after it was made.

Mr. HANSON: He does not repudiate it.

Mr. WOODSWORTH: No, he says he made it, but he regrets it. I believe I recall it is written that Saint Peter denied his Lord three times, even denied him with an oath, but that fact has not prevented him from being held ever since in greatest reverence by a very large section of the Christian community.

Mr. BELL (Hamilton): What has all this to do with the amendment, anyway?

Mr. WOODSWORTH: I will come to that. These matters, to which I have devoted only five or ten minutes to-day, were discussed

previously. I believe the hon. member who has just spoken was not present during most of this debate, or he would have heard the discussion.

Mr. BELL (Hamilton): I should like to know the relevancy of it.

Mr. WOODSWORTH: The Telegraph-Journal of Saint John, New Brunswick, in its issue of November 14, 1933, commented on the British Columbia election as follows:

> The result is more than a Liberal party success. It is a victory for the forces of sane and solid British principles over the forces of revolution and godlessness.

Mr. Speaker, I submit it is not fair that men who for some twelve or thirteen years have been known in this House of Commons and who represent a very considerable section of the population of Canada should be maligned in this fashion. There was even an Anglican clergyman, a dignitary out in British Columbia who wrote to a certain candidate asking an opinion with regard to religion. That candidate replied, and the Anglican dignitary came out and denounced the C.C.F. because his reply had come from a C.C.F. candidate expressing the opinion on religion held by that body. May I say that the reply was not received from a C.C.F. candidate at all; it was from a member of another party which has no connection with the C.C.F.

Mr. DUPUIS: From a socialist, was it not?

Mr. WOODSWORTH: It may have been from a socialist. I fancy there are a few Liberals in Canada who might be quoted in a way which would not meet with the approval of the hon. member who has interrupted.

Mr. DUPUIS: That does not settle the question.

Mr. WOODSWORTH: But, so far as respectability is concerned, and without going into a detailed discussion on the subject, I might point out that the present house leader of the C.C.F. in British Columbia is the Reverend Robert Connell, a retired Anglican clergyman. If the C.C.F. had stood for godlessness and revolution I can hardly imagine that they would have selected as their leader in the legislature a gentleman who had been an Anglican clergyman.

In closing may I say to the hon. member from West Hamilton that I have gone into this matter because it has been introduced again and again in this debate and we have sat quietly; we have not made any attack upon the Liberal party or the Conservative party but have simply tried to defend ourselves against what I believe to be unwarrantable misrepresentations.

As we look over the situation in Canada and in the world, Mr. Speaker, it seems to me that our problems are too serious for us to spend very much time in this kind of party bickering. I believe that the time has come when the people of Canada are expecting some action to be taken. We have not confidence in this present government, as is indicated by our vote the other night and by our own amendment. But at the same time, if the present government would give us a lead in the way of a solution of the problems I have indicated, I think it would receive the full support of members in this corner of the house. We are far more concerned with the condition of the people in this country than we are with the party game. Many of us come directly from the people and are living close to them and we realize the seriousness of the situation. There is hardly anyone who does not recognize that democracy is on trial to-day. People outside are saying, what good is parliament; what is parliament for if it cannot solve these big problems of unemployment, a demoralized agricultural industry, and the intolerable burden of debts?

We have been departing very largely in recent years from our older Canadian ideals. In the earlier days we believed that everyone should have a chance. I do not believe that it can honestly be said by any member here to-day that in these days every Canadian has a chance. I think of all these young people who are growing up in our homes; they have not the chance that their fathers had; they have not even the chance that their grandfathers had, because if their grandfathers worked hard enough and slaved long enough hours they had a chance to make a decent living. But our people under modern conditions have not even a chance to work. So I say we are departing from the old Canadian ideal that everyone should have a chance.

In the old days when our forefathers settled here all men were more or less equal. One might have fifty acres, another a hundred, and another two hundred, but substantially we were all more or less on an equality and were good neighbours. To-day that is all changed. We have, on the one hand, great aggregations of wealth, and on the other hand, unemployment and insecurity. I believe the time has come when we shall have to get back to the older Canadian ideals and provide for a greater measure of equality among the

people. I do not see how Canada can be maintained as a democracy unless we have in very large measure economic equality.

With regard to democracy itself, it may be that we still have the forms of democracy, but I submit that as long as the big moneyed interests have so much influence in the formulation and control of the policies of this country we cannot be said to have any real democracy. As I pointed out the other day, in Newfoundland they have surrendered even the forms of democracy, and that former independent dominion is now being administered by a board responsible to London. The western provinces of this country were almost threatened by our Prime Minister a year ago, in a letter he wrote, that unless they could balance their budgets, or more nearly so, it might be that he would require them to appoint an administrator acceptable to this government who would carry on the affairs of the province. Where is our democracy going under those circumstances? Already many municipalities are in that very position. So I say that although we have the forms, we are losing the real sense and the real benefits of democracy. It would seem that at the beginning of a new session of this parliament we should once and for all forget our party squabbling and get down to real business.

I submit that we have a right under the present circumstances to demand that if the government is to remain the government of this country, it must make a determined effort to solve some of these outstanding problems that confront the people of Canada to-day.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I have no desire at all to enter into the general questions raised in this debate. My purpose in rising is simply to refer to a statement that was made by the hon. member for Vancouver Centre (Mr. Mackenzie), speaking in this house on the 13th instant, as reported in Hansard at page 536. He said:

> Now let me say here that an agreement was reached by the members of the committee last year—

He was referring to the committee on pensions.

> —and I am in the judgment of hon. gentlemen who are supporting the government—that equal representation would be given the personnel of the pension tribunals in the formation of the new Board of Pension Commissioners.

I had the honour to be chairman of that committee, and we went into the matter with very great care. At the commencement of the labours of that committee, we received numerous telegrams, all originating from one source, protesting against the abolition of the tribunals. This was taken to mean by many that they did not care to have the personnel dropped, and during the first three days of our debates in the committee it became increasingly apparent that in order to satisfy some of the members at least, an arrangement should be made.

The bill that we were examining was Bill No. 78, for the purpose of shortening the procedure in soldiers' claims, so that finality would be had within a shorter time. I pointed out to the committee that I did not believe that any government or the minister would accept a proposition of that kind. I spoke to members of the legion, to Major Roper, the head of the legion, on this matter, and pointed out to him that as it was very necessary in the interests of the soldier that the legislation should pass we might come to some other arrangement. Subsequently Major Roper and I prepared a resolution which passed the committee. This resolution was for the purpose of dissolving the old Board of Pension Commissioners and also the tribunals and forming a new board to be known as the Canadian pension commission. Nothing was suggested in any way or shape as to who should be the members of this commission. The only point that was raised was as to who should be eligible, and it was mutually agreed that the members of the then tribunals should be eligible for appointment to this commission. We had no power to go further had we chosen to do so.

I might also point out that in the latter days of that committee several other resolutions were brought forward which we were unable to deal with but which we passed, and instead of incorporating them in the ordinary report I had them forwarded to the Prime Minister for his attention. Had there been an arrangement such as stated by the hon. member for Vancouver Centre it could have properly been brought forward in some such resolution. However, there was no arrangement of any kind other than as I say, and I think that those members of the house who were present will bear me out in that statement.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, it is not my intention to-day to discuss the question of titles, or the relatively unimportant matter of the balance of trade, nor am I going to burn any incense at the shrine of the golden calf sometimes known as the gold standard, nor submit any figures to show whether or not this country is coming out of the depression and is again on the way to prosperity. I may say with regard to the

latter that any improvement which this country has experienced during the last few months has been very largely the result of the policies of President Roosevelt of the United States and of the psychologic and material effects which they have had in this country.

I have no desire, sir, to indulge in any partisan criticisms of the government in their administration of the affairs of this country for the last three and a half years. I appreciate the difficulties with which the members of the administration have to cope. Their every day routine duties in the ordinary course of events added to the problems which have come to the government during the present depression occupy their minds and activities but this does not excuse the administration from trying to grapple definitely with the vital causes of the present depression and from enunciating and putting into action policies which might be expected to improve conditions.

I am not going to indulge in recriminations but I think it should be remembered that the present government, and more particularly the leader of the government (Mr. Bennett), asked for the responsibilities with which the people of Canada have entrusted them. I do not intend to dwell upon the promises made by the Prime Minister other than to say that with the intelligence which he possesses to such a high degree he must have known that those promises could not be fulfilled. The people of Canada are entitled to some definite action in the long crisis in which the country finds itself. I regard the Minister of Railways (Mr. Manion) as my personal friend and he has stated in his own picturesque language that the house is on fire and that it is our duty to attend to the putting out of the conflagration. May I say to him that the house has been burning for almost four years and I think the people of Canada have nearly reached the conclusion that since the present administration has not had any great success in subduing the fire, it is about time we changed the fire brigade.

During the course of his remarks the other day the Prime Minister referred to the fact that each morning on his way to his office he passed the statue of Sir Wilfrid Laurier. He made certain remarks in connection with that but I would say to him in all sincerity that when he enters this building each day he should read and reflect upon the inscription over the doors of this building which reads, "Where there is no vision, the people perish." If I have any outstanding criticism to make of the government it is this: I gathered from the remarks of the Prime Minister the other day in Toronto that he is convinced not only that Canada is sound—I believe that—but that conditions are basically sound and it is not necessary for him to take any particularly drastic steps to bring about what I consider to be necessary to correct present conditions in Canada. I am open to correction in quoting his remarks as sometimes my right hon. friend says that he is wrongly reported. I think he is on record as saying when he left the boat at Montreal some time ago upon returning from England that he was opposed to higher wages.

Mr. BENNETT: I explained that observation the other night; I was referring to the N.R.A.

Mr. EULER: That remark has left an unfavourable impression upon many people who, like some in my own city of Kitchener, are working for nine cents an hour or less. On another occasion he said that poverty is a blessing. Such a statement may be essentially true, it may have some merit but it does not fall with very good grace upon the ears of those who do not know from where their next meal is coming, unless it be out of the charity of their fellowmen.

Mr. BENNETT: That is not what he said.

Mr. EULER: Misreported?

Mr. BENNETT: Add the rest of what he said. He was speaking to young people.

Mr. EULER: There are a great many people who are out of work to-day and who do not know from where their sustenance is to come.

Mr. BENNETT: He was speaking to young people; read what he said.

Mr. EULER: Speaking in Toronto the other day—I am trying to be careful as I do not wish to misrepresent the Prime Minister.

Mr. BENNETT: You are doing it now. The statement that I said that poverty was a good thing is not the whole statement. I was speaking to a group of young people in connection with the Leonard foundation and I stated that in comparison with those who had the sustenance to secure an education, that sort of thing was best as it stimulated effort upon their part.

Mr. EULER: It may be that—

Mr. BENNETT: The hon. member should read the report.

Mr. EULER: —the special circumstances under which the Prime Minister made that remark would make it sound all right to those who were listening at the time. Being a younger man than the Prime Minister, perhaps I should not make this remark, but I do say that that sort of thing does not fall very gratefully upon the ears of Canadians who are in a position of dire distress.

The other day in Toronto he made the statement that the government had nothing spectacular to offer. I have no particular fault to find with that statement, but he went on to say that all he could suggest was hard work and thrift. Such a statement might be all right to people who have employment and who are receiving something in the way of wages with which they can exercise the virtue of thrift, but it is this statement that causes me to rise to-day. It seems to me that the statement that hard work and thrift are the only remedies for the Canadian people shows a mental attitude on the part of the Prime Minister that nothing is to be done, that he is going to stand pat and that we are not to have any definite policies to correct the conditions under which we labour to-day. He seems to think that everything is basically sound, our financial system, our industrial system and all the rest of it. He seems to think that if we only wait and work hard and apply thrift, everything will be as we should like it to be. With that statement I take absolutely definite issue. I do not see how any intelligent man who has observed the trend of circumstances in this country during the last few years and who has seen the tremendous changes which have taken place during the last ten, fifteen or twenty years in industrial relations and the crowding of people into factories in our cities, can help but realize that something is wrong. These conditions should be studied very carefully and a conscientious government should try at least to apply some remedies.

It is a definite law of nature, in the animal world, the vegetable world and the human world, that when great changes take place it is absolutely necessary that those who may be affected by such changes should adapt themselves to the new conditions. If they do not, the penalty is that they must perish. It would be unfortunate if we passed out of this depression—perhaps not to the heights of the so-called prosperity which we had in 1928 and 1929—and made no changes in our manner of meeting conditions which will recur again and again. I say with absolute conviction that when they do recur, they will be worse than they have been during the present depression. I believe that many of the capitalists—may I call them that?—or the leading men of this country realize this fact to-day and many of them are quite ready to follow this or any other government that will institute some real remedy to provide a correction of the difficulties under which we labour. The statement has been made that this depression is world-wide. That may be perfectly true but it does not follow that we in Canada cannot do something to set our own house in order.

I do not propose to traverse the whole field of whatever remedies might be suggested; instead, I will confine myself particularly to one or two. And the leader of the C.C.F. has already touched very largely on some of the question which I should like to discuss. If we are to find a remedy we must know the causes of the condition that is to be remedied. Of course, the real basic and fundamental cause is the selfishness of the human heart; there is no doubt about that. Every man looks out for himself, and it is perhaps not to be wondered at, when people have no certainty as to what is going to happen in the future to themselves and to those who depend upon them, that every man tries to secure for himself all that is possible. Perhaps it was with a realization of that fact that the Prime Minister—and I say this with all respect to him—made the statement about two years ago that nothing but the grace of God could save Canada.

I intended to speak of unemployment and the question of the debt, as well as of the Canadian National Railways, and then finally if I have time,—because it is the most important subject before us now—to discuss what can be done so that there shall not be, to put it bluntly, so great a spread between the wages of capital and the wages of labour, so that the man who works, the man who produces, may receive something that is more a just approximation to what he deserves than he has received in the past, which I believe is the cause, generally speaking, of the difficulty that faces us to-day. The remedies involve a change from selfishness to unselfishness, the realization if you like of the dependence of one on another, and the recognition of the great fact of the brotherhood of man.

Mr. BENNETT: Can you do that by act of parliament?

Mr. EULER: My right hon. friend has almost anticipated me, for I was going to say

that this is not within the sphere of practical politics and that we shall have to adopt some other method in the meantime until there is a fundamental change in the human heart.

An hon. MEMBER: It will take a long time.

Mr. EULER: Yes, I am afraid so. I would say this also, though all within the hearing of my voice will not agree wth it. Our difficulties come in great part from the fact that we engaged in a tremendous war, and I would express the hope that this country will refrain in future from entering into any great conflict unless Canada is itself attacked.

With regard to unemployment, one of the great factors is undoubtedly the introduction of labour-saving machinery. This will become more aggravated from year to year; it is a perfectly natural development, and I am certainly not opposed to it. Whether it interferes with provincial rights or not, I think it must become the policy of this government, either by a change in the British North America Act or through agreement among the provinces, that there shall be some legislation, some sort of action which will shorten the hours of labour so as to spread the work to be performed among as many people as possible; and then, when we have done that, having balanced our budget—and it is impossible to do this until such time as we have balanced our budget—we should have a reasonable unemployment insurance scheme to take up the slack which will exist for all time in the future.

It seems to me to be a reflection on civilization, to say nothing about Christianity, that in a country such as this, which produces all the food that is necessary for the people, which is dotted with industrial plants that can produce, in excess of what we need, everything that the people of Canada need, there should be in this twentieth century a million and a half people on public relief. If it is necessary as an instrument of national policy that we should have certain changes, increases if you like, in the tariff, I should have no objection to that, although I may say by the way that while at the moment I am not particularly criticizing the tremendous increases that have been made in the tariff, I am criticizing particularly the administration and the unwise and unnecessary difficulties that have been placed in the way of business so far as the administration of the tariff is concerned.

I spoke a moment ago of the necessity of balancing the budget. Possibly some of my friends in the corner do not agree that the budget should be balanced, but I believe that before we can put into operation a reasonable unemployment insurance scheme we must balance our budget.

Mr. BENNETT: Does the hon. member include the railways?

Mr. EULER: I am coming to the railways.

Mr. BENNETT: Does he include that as part of the budget?

Mr. EULER: Yes, I desire to make two suggestions whereby it seems to me we could approximate a balancing of the budget; and the first is in connection with the debt, which has already been discussed this afternoon. I need not say that we have a federal debt of something like $2,600,000,000, with a supplementary debt on account of railways of something like one billion dollars on which we have to pay interest; and the whole debt of the country, federal, provincial and municipal, amounts to something like eight billion dollars. It is merely necessary therefore to mention this sum to realize that it is almost impossible that we should ever be able to pay the interest upon it.

Mr. BENNETT: The hon. member speaks of a billion dollars as the secondary debt. It is much more than that in view of the assumption by the dominion of the guaranteed obligations of the provinces. It amounts to twice that, as he knows.

Mr. EULER: I am quite willing to accept that; it simply assists the argument I am going to make.

Mr. BENNETT: Quite so.

Mr. EULER: What I am saying is that the interest on the debt of the country is so great that it seems absolutely essential that this parliament should do something to reduce that interest. I know I shall be charged with repudiation, but there is only one class of possessors of wealth in this country who have escaped the loss that has come to everyone else, and that is the government bondholders. The working man has seen his wages reduced, the farmers are receiving the lowest prices almost in the history of Canada; the retailer has lost by reason of reduction in prices of stocks he purchased at high prices; and so far as the manufacturer is concerned, I may make this observation for the benefit of my friends to the left: many a manufacturer has seen his capital absolutely wiped out. I know whereof I speak, because it affects my own city of Kitchener and the town of Waterloo.

I say therefore to my friends in the corner and to some of my Liberal friends as well that while they seem to have the notion that the manufacturer is constantly fattening on profits at the expense of the consumer, although it is undoubtedly true in some instances, the fact is that during this period of depression the manufacturer has had a mighty hard row to hoe in many cases. I would also say that the man who invested in common stocks and in most preferred stocks, and even in the case of industrial bonds, has taken a very heavy loss.

An hon. MEMBER: Or in real estate.

Mr. EULER: Or in real estate; one could mention a great many others. The point I want to make is, the holder of federal bonds or provincial bonds has been in every case receiving the interest to which his bond nominally entitles him. Therefore I say—and I know I am more or less open to the charge of repudiation, and I shall answer that a little later—I say that it does not seem to me to be unjust or unfair, in face of the emergency through which the country is passing and the difficulty of meeting our expenses, to ask the holders of government bonds to take their reasonable share of loss by way of reduction in interest. I suppose if the average of federal interest rates were taken it would work out as something like 5 per cent—

Mr. BENNETT: An average of 4·6 per cent.

Mr. EULER: I had thought it was more nearly 5. Certainly as far as the provinces are concerned the rate may very well be 5 per cent and perhaps a little more.

Mr. BENNETT: A little under 5 per cent.

Mr. EULER: And that probably applies as well to the municipalities. I am going to suggest very seriously to the government that they should now—not in 1937—take some steps by which the interest rate on federal indebtedness should be reduced to, I might say, 3 per cent. If that could be done this country would save something like thirty to forty million dollars.

Mr. BENNETT: I do not want to take the hon. gentleman's time without his permission—

Mr. EULER: It is quite all right.

Mr. BENNETT: With his permission then I would point out that that is one of the very things that has been considered; but this is a debtor country, and we have a substantial amount of municipal, provincial and federal bonds domiciled abroad, especially bearer bonds, and while the great conversion we did carry out of $640,000,000 was down to 4½ per cent, to carry it below that would be practically asking the people outside this country, over whom we have no control, to accept a lower rate, which would be repudiation.

Mr. EULER: I am glad the right hon. gentleman has drawn my attention to that, because I had intended to mention it, and I fear it would have escaped my attention. I am not referring at the moment to bonds which are held outside of Canada. But the Prime Minister knows, and perhaps members of the house know, that about 73 per cent of the bonded indebtedness of Canada is held within Canada itself.

Mr. BENNETT: That is federal bonds.

Mr. EULER: I am speaking of federal bonds. I know that so far as provincial and municipal bonds are concerned it is not so. Of that 73 per cent something like three-quarters is held by the great financial institutions, insurance companies and others—

Mr. BENNETT: The hon. gentleman is very patient, I will not interrupt unless—

Mr. EULER: It is all right.

Mr. BENNETT: It is that very fact that causes the difficulty. Insurance companies base their statutory reserves upon a given rate of interest over a period of years, they have made all their computations on that rate, and that is the reason they have held these bonds. In this feature, concerning life insurance companies in this country, both British, American and Canadian, lies one of the very greatest of the difficulties. This matter has been carefully considered by the government on many occasions.

Mr. EULER: I am glad to hear that.

Mr. BENNETT: My hon. friend will see the point at once.

Mr. EULER: I understand the argument my right hon. friend is making. However, without questioning his sincerity in the slightest, I am not entirely convinced. I think that the insurance companies, and other financial institutions such as the banks own about twenty-five per cent of the bonds that are held within Canada.

Mr. BENNETT: No, no.

Mr. EULER: I may be wrong, but I am so informed. I am not convinced that it would not be possible for them voluntarily to reduce the rates of interest by at least one or one and one-half per cent without seriously impairing their obligations to policy-holders. It is after all only a small proportion of their total assets.

Mr. BENNETT: It is a very substantial proportion.

Mr. EULER: How that might be done one might suggest. By the way, it occurs to me that it was the expressed opinion of the Prime Minister, when he was leader of the opposition five or six or more years ago, that the funds of the insurance companies could be made to serve the national financial purposes.

Mr. BENNETT: In a 4 per cent consolidated debenture, yes, and I was denounced as a repudiator of capital.

Mr. EULER: So my right hon. friend, I am glad to say, at one time considered something approximating what I am suggesting at the moment.

Mr. BENNETT: Still is, every day.

Mr. EULER: During the war it did not seem to be very difficult to get the people of Canada to buy bonds, and buy them freely. I think the condition that we are in to-day is just about as desperate as it was during the war. I would offer this suggestion, that the government might very well proceed with propaganda, shall we say, in a campaign, patriotic campaign if you will, asking the people of this country, the bondholders, to consent voluntarily to a refunding at a lower rate of interest of the bonds they hold.

The question of repudiation has come up, but I do not think it would be repudiation if those who did not care to receive a lower rate of interest were paid back their principal, which might be refunded in some other way, perhaps the way suggested by my right hon. friend some years ago with respect to the funds of insurance companies. And although two wrongs do not make a right, we have had repudiation before, we are having repudiation to-day, if that were an excuse. The great United States of America, the wealthiest nation in the world, has repudiated its gold indebtedness under its bonds. They promised expressly that they would be redeemed in gold, and to-day they are not carrying out that promise. By act of congress that has been discontinued. And I think it is not too much to say that France and Italy—yes, and Great Britain—have practically repudiated their debt to the United States. I could

come nearer home, and while it is perhaps a small matter, and while there may be a difference of opinion with regard to this, even this government has repudiated, if not its legal responsibility, at any rate its moral responsibility to pay interest and full principal upon certain securities of companies now consolidated with or included in the Canadian National Railways. So it would not be an entirely new thing.

Mr. BENNETT: I am afraid the hon. gentleman is wrong. He refers to the Guelph railway?

Mr. EULER: Yes.

Mr. BENNETT: The government was not in any sense obligated on that.

Mr. EULER: We had an argument on that in this house before. I said a moment ago that perhaps they are not legally responsible, but I do contend that there is a very decided moral responsibility with regard to that matter.

Mr. MANION: May I interject? I looked into it very thoroughly, and I do not think there is any moral or other responsibility on the government in that regard.

Mr. EULER: I am afraid we will just have to differ on that.

Mr. BENNETT: There is always a difference as to moral responsibility.

Mr. EULER: If we could accomplish what I have suggested we should reduce our interest obligation by a very substantial figure.

Mr. BENNETT: What rate had the hon. gentleman in mind?

Mr. EULER: The rate I had in mind was 3 per cent. In Great Britain they converted on a basis of 2½ per cent, I think.

Mr. BENNETT: A perpetual 2½ per cent.

Mr. EULER: Now I must hurry on with the matter of the railways. Let me say at the outset that I deprecate very much the apparent tendency on the part of certain members of the government, and perhaps more particularly the Prime Minister, in the house and out, to place the responsibility for the condition of the national railways upon the shoulders of the Liberal party.

Mr. BENNETT: Hear, hear.

Mr. EULER: My right hon. friend says "hear. hear." My own opinion is, and it is backed up by his own, which I shall read in a moment, that the responsibility belongs to both parties.

Mr. BENNETT: Surely.

Mr. EULER: But I understood my right hon. friend to say it rests upon the shoulders of this party.

Mr. BENNETT: The initiative in respect to grants of public money can only be with the government, and no Conservative government was in power when any of these obligations came into being.

Mr. EULER: I am sorry I have not more time to debate that question with the Prime Minister.

Mr. BEAUBIEN: You lost half an hour by interruptions.

Mr. BENNETT: A little exaggeration, as usual.

Mr. EULER: Perhaps the Speaker will be a little indulgent. It is not in the interests of the national railways or of the Canadian people that we should have recrimination of that kind. It ought to be the duty and the desire of every one of us to do all we possibly can to find a way out of the trouble in which we find ourselves by reason of the difficulties of the Canadian National.

Mr. BENNETT: Hear, hear.

Mr. EULER: My right hon. friend in the session of 1916 made the following statement:

After carefully studying this railway matter during the past year, the best conclusion that I can arrive at is that all of us—and I mean the people of Canada as a whole—were somehow infected at that time with a disease which came from over-speculation and optimism run riot, or run mad.

He blames the whole people of Canada, and then he refers to certain speeches he made in western Canada in which he says he objected to taking over these roads and making these loans. Then he goes on to say:

. . . I was very severely criticized by my own friends, and was told that I was lacking in faith in my country and was filled with a spirit of pessimism. So, in the ultimate analysis, under our democratic institutions, the people themselves must accept the responsibility for the condition that exists, and neither the opposition nor the government is vitally concerned, because no government would have initiated the legislation in the terms in which it was initiated except upon the demand of the people manifested by resolutions passed by boards of trade, municipal councils, farmers' unions and associations, and merchants throughout the country—

Then again, with regard to the taking over of the obligations of the railways—and this does not reflect any particular credit upon either of the great political parties—he says:

The reasonable explanation—and it is a very simple one—is that an election was coming on. We ought to face that proposition very frankly; and, what is more, that is a case in which both parties must accept responsibility, because the Conservative party of that day, sitting in opposition, did not oppose that $35,000,000 grant to the Canadian Northern Railway; they did not challenge it. The records show that, and the Conservative party must accept responsibility with the Liberal party, because if the one party initiated this legislation, it is a case in which the other party did not oppose and, not opposing, must share the responsibility.

I do not know that I should quote further, Mr. Speaker, but if I might I would suggest to the Prime Minister that he follow the very good advice he gave in the same speech from which I have been quoting, when he said:

I have heard a great deal said as to who is responsible for it. But all the talk in the world as to who is responsible for this situation will not relieve us from the condition that now confronts us.

Mr. BENNETT: We have to carry it at the moment.

Mr. EULER: Yes.

If there is one thing the war has taught us, it is that recriminations do no good; we have learned that at least.

If I cared to do so I think I could place a good deal of the responsibility for taking over the Grand Trunk Pacific in 1919 upon the Conservative party, and I do not usually bandy party names to any great extent. It was a Conservative government that took over those roads and assumed, I think, a liability of something like $1,800,000,000.

Mr. BENNETT: $1,700,000,000.

Mr. EULER: What is a mere hundred million dollars? I am not going to quote him, but the right hon. gentleman, who was not then prime minister, made a statement to the effect that instead of being taken over, with all their liabilities, the Grand Trunk Pacific and the Canadian Northern should have been allowed to go into the hands of receivers and have the water squeezed out of them. If that had been done the obligations which we are now carrying would have been wiped out to a very great extent. That ought to have been done, no doubt, but we all have to accept responsibility, including myself because I was in the house when the railways were taken over. I think, however, it absolves this party from at least a great share of the responsibility for the debt under which the national railways are suffering now; I think that follows.

Mr. BENNETT: The resolution was moved by Mr. Pugsley, who wanted to pay them $45,000,000.

Mr. EULER: In any case I know my right hon. friend was in favour of allowing the roads to go into the hands of a receiver.

Mr. BENNETT: And he and Mr. Nickle were the only members in favour of that suggestion.

Mr. DUPUIS: You should have followed the advice of Mr. Lanctot and sold them for $1.

Mr. EULER: I wonder, if we had further railway problems, if my right hon. friend would take the same attitude and say the road should go into the hands of a receiver?

What can we do about the railway debt? Some ten years ago in this chamber I made the suggestion—and I mentioned this last year—that the government might very well investigate the advisability of merging the two great railways, amalgamating them if you like. That suggestion did not receive a great deal of attention at that time; conditions improved and nobody said anything more about it. I have repeated that suggestion on other occasions, because I believe it has to come in order that we may get rid of the annual loss of $50,000,000 or $60,000,000 which we can ill afford to bear. If we had brought about amalgamation at that time we would have saved an amount equal to about one-third of our national debt, which I think would have been very desirable. In the last few months two very significant things have happened. We had the Canadian Pacific Railway come to this government and receive their backing, or their guarantee, to the extent of $60,000,000. Then last week, in the city of Ottawa, we had the Secretary of State (Mr. Cahan), a member of this government, make the statement that unless conditions improved within a year, amalgamation or a merger or something like that might have to come.

Mr. BENNETT: The Secretary of State made it perfectly clear that he was speaking for himself only, and in no sense representing the view of the government.

Mr. EULER: He is a member of the government, and it just occurred to me that perhaps he was flying a kite to see what the reaction would be.

Mr. BENNETT: I assure you that he was not.

Mr. EULER: It is true that in his speech the other evening the Minister of Railways (Mr. Manion) stated that so long as this government was in office there never would be an amalgamation. I think it is very unfortunate—and I say this advisedly—that some years ago the Prime Minister laid down the dictum, if I may call it that, "Amalgamation never; competition ever." Competition is not always the life of trade, as I have said; sometimes it may be the death of trade, and it may be and looks as though it will be the death of our railways. He may still have to change his mind. If amalgamation could take place—and let me say that I am speaking for myself alone when I speak of amalgamation—we would save $30,000,000 or $40,000,000 by the reduction in interest charges and wipe out $50,000,00 or $60,000,0040 of an annual deficit on the Canadian National. This would almost wipe out our deficit of $100,000,000 or more, and then we would be in a position reasonably and intelligently to consider the enactment of a definite unemployment insurance measure.

I was going to say something with regard to the financing of such a scheme, but I do not think that would present any great difficulty. So I will conclude my remarks in regard to our railways by saying that in my opinion if amalgamation does take place, as I think it ultimately will, it should be and must be under public ownership. I am sure my hon. friend from Stanstead (Mr. Hackett) heartily agrees with me. To transfer the national railways to the Canadian Pacific Railway would be suicidal. They would take the railway and leave the obligations, with their perpetual interest, with the country.

If I may take just a few more minutes I should like to conclude with a few observations upon a subject which I regard as of even greater importance. I believe that by legislation of some sort, by planning or by some adjustment, there should be brought about in this country a condition whereby the spread between the return to labour and the return to capital should not be so great. I have made that statement before in this house. I do not know whether it is the enunciation of a socialist doctrine, but I believe that if the man who produces, who labours on the farm, in the factory—and perhaps I am thinking more particularly of the factory—in the mine or elsewhere does not receive enough money in return to enable him to buy back that which he produces, you are bound to have depression. If he cannot buy the goods they must accumulate and unemployment must always follow.

I am not going to say just how that is going to be brought about. My friends in the corner say that it can be done only by entirely scrapping the present system. I am not ready to go so far as that; I do not believe my hon. friends in the corner of the house are ready to take hold of matters and bring all these things about. If we did anything of that

kind I fear we might end in chaos, a condition which would be worse than what we have to-day. I prefer very much more the evolutionary method of approaching this desirable condition of affairs gradually, as we may find it necessary. But I will say this—and I throw this out as a warning, if I may do so—that unless some of these changes are made I believe it is absolutely true that the people of Canada will travel towards socialism a great deal faster than they have done in the past and accept it as their only remedy.

An hon. MEMBER: No, no.

Mr. EULER: I am not sure that hon. members agree with me on that. But I say to my hon. friends opposite and to those sitting about me that the people of this country are looking for some definite lead with regard to the correction of the conditions under which we are living. You say that that is interference with what is usually called rugged individualism. That term does not appeal to me particularly. Rugged individualism has done a great deal of harm; it has led to the piling up of great fortunes and the exploitation of the weak by the strong. We need only to look at the United States to see what has happened there. Disclosures have been made in that country, and it may be that similar ones will be made in Canada by the committee which was appointed only a few days ago. It should not be possible for great accumulations of wealth to take place in this country. It is said that law restricts personal liberty, and that if you have complete personal liberty you have nothing less than anarchy. I would have no hesitation in intervening—not unnecessarily—even with the conduct of business, in some respects, if it would mean the greatest good to the greatest number.

The people of Canada are looking for some action. My criticism is I do not think this government is supplying that degree of action to which the people are entitled. I say again, for myself, and I believe in this connection I can speak for all hon. members sitting on this side of the house, that when the government produces some policy which promises to be productive of the needs that we have in view, I for one would be very willing to cooperate with them.

The ACTING SPEAKER (Mr. Gagnon): The hon. member has spoken for forty minutes.

Mr. BENNETT: Go on; we interrupted the hon. member for some period of time.

Mr. EULER: I say in all seriousness that to me it appears that we have adopted and have conducted through the last three or four years a policy of drift, hoping that the course of events and the passing of time will lead to a readjustment, and that these factors will perhaps automatically, or by tying ourselves to the Roosevelt plan, pull us out of the depression. I would say to the government—and I should like to say, if I may, something to encourage them—to proceed with some courage and some initiative on the principle that after all, Providence helps those who help themselves.

Hon. R. D. MORAND (East Essex): Mr. Speaker, we have just listened to a most interesting and, as we always have from the hon. member for North Waterloo (Mr. Euler), a very serious résumé of his views. Those views, however, are not always entirely in keeping with those of his party, and it is interesting to wonder just how during the time he sat with the government he was not able to make more headway with such views as he has now expressed.

Mr. BOUCHARD: We had no crisis at the time.

Mr. MORAND: He began his speech with the very true statement that when there is no vision the people perish. I wonder just how truly that could be applied to the lack of vision shown during the days of prosperity we experienced during and following the war, and just how much of the perishing we find to-day is due to the lack of vision of that time. We know that it was during those periods that the nucleus of our present day troubles formed. Much of that which has grown to the present serious position in which Canada finds itself undoubtely had its very beginning and roots in lack of control and lack of vision in that particular time.

However, we are undoubtedly suffering to-day. The speech from the throne has been attacked in different ways. One method adopted has been a definite vote of want of confidence in the government. Reading the speech of the ex-Minister of Justice (Mr. Lapointe), I was interested to find that he said the people of Canada had no faith in the present government, and that the proper way to judge a government was not by the number of members sitting behind it, but by the feeling of the people throughout the country. I wonder how he would correlate that statement with the view he expressed while I was in the house in the session of 1926, when, very definitely at the opening of the session he moved a resolution demanding from hon. members in the house, and not

from the people outside the house, the right to carry on. We have now before us the following amendment:

We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living.

The leader of the C.C.F. party has moved this amendment because as he has said he wishes to place his party and himself on record to the effect that they have no greater faith or belief in the opposition than they have in the present government.

Mr. DUPUIS: He did not say that to-day.

Mr. MORAND: I believe he said it when he began his speech. The hon. member is always very careful to state, at the beginning of his remarks, that the C.C.F. is not a political party. I maintain, sir, that they have certainly learned all the methods and ways that most political parties have adopted to try to gain power, and I am not too sure that their close association with our friends opposite has not resulted in schooling them in their method of approach, when trying to gain the reins of power.

Mr. VALLANCE: We can teach them a lot yet.

Mr. MORAND: One finds a great deal of similarity between the report of the Regina conference and the original platform of the Liberal party as enunciated in 1919. There is at least definite evidence of the same technique and the desire to spread widely those views which they purpose putting into effect so that they may take in all those people who, they believe, would be affected by a certain type of appeal. In the present instance the C.C.F. has gone one better by trying to keep itself free from the appelation of a party. They leave each roving band under its own direction and free to make an appeal in whatever place or manner it may best be made or can most successfully be worked out. I have no doubt in my own mind that each roving band with a particular chief, whether it be in the maritime provinces or in British Columbia, every night looks towards Ottawa for some general direction, hoping that the end of their labours will be rewarded in their arriving here and securing the power which they so much desire. It is rather interesting to read the labour code as set out in the C.C.F. platform and published in their monthly publication of August, 1933:

A national labour code to secure for the worker maximum income and leisure, insurance covering illness, accident, old age, and unemployment; freedom of association and effective participation in the management of his industry or profession.

When one looks at the platform of the National Liberal convention held in Ottawa in 1919, one finds very much the same thing. For instance, I find there:

The representation of labour on federal commissions pertaining to labour matters; effective legislation for the conservation of human life and health; that in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government.

Mr. MITCHELL: Would the hon. gentleman read the Conservative program of 1927?

Mr. MORAND: I am now comparing the two schools at which my hon. friend has assiduously applied himself in the last few years.

Mr. DUPUIS: As a good student you should go to the Conservative school. What do they say?

Mr. MORAND: Every student undoubtedly reflects the school at which he has been taught, and one can see a very definite reflection in the make-up of this labour code of the C.C.F. If one were sure that it would be applied in the same way as the Liberal program of 1919 was, it would not be necessary to spend any great deal of time in combating the general policies.

We find that to-day the leader of the C.C.F. is very conciliatory in his talk. He is not so provocative, not so aggressive as he was in the first years he was here. Undoubtedly that is the effect of considerable travelling throughout the country during the last few months and a realization that the people of Canada are not ready to accept the full socialization of industry and a socialist government in this country. So, tempering his remarks and his methods in the hope of securing power, we find the leader of the C.C.F. much more conciliatory to-day.

The leader of the C.C.F., my hon. friend from Winnipeg North Centre (Mr. Woodsworth) always seems to take it for granted that within his group, perhaps within himself, rests exclusive knowledge of conditions of the country, that he and he alone has a full realization of the difficulties and troubles under which the people are now labouring. In speech after speech we always find him setting out all the ills and troubles that exist in the country. Let me assure him that there are

many on this side of the house, and indeed I think on all sides, who have just as keen a realization of the actual conditions and just as much sympathy for those who are suffering as he has. It is not a question of realization or of knowledge of what is taking place within the capitalistic system.

I do not think, Mr. Speaker, that there are many men who believe that all is well within the present system under which we are living to-day, but it is not my belief that the people of Canada are ready to scrap that system under which all the progress that we have witnessed in Canada and which has taken place in other countries since the early middle ages has been brought about, and substitute for it something new and untried in the hope that it may bring us better conditions and greater rewards. It is my belief that most of the people of this country are prepared for some changes. I believe that they are prepared to shed those barnacles which have undoubtedly gathered on the ship of capitalism; there is no question of that.

I was rather interested to hear the hon. member for North Waterloo (Mr. Euler) speak of individualism. There is no question that free competition, free individualistic effort, is not the same to-day as it was when men were their own employers, or when an employer had only one or two employees, or when there was ownership management. Free competition and rugged individualism, once it becomes applied in large corporations, too often becomes an engine of destruction rather than an instrument to help make conditions better. There is no doubt in my mind that eventually, and probably very soon, there will have to be some control over these large corporations which to-day find themselves without control of themselves. When you talk of rugged individualism I often think of the workingman arriving at the shop in the morning, being told to hang his hat upon a certain peg, take his place at a certain machine, go through certain operations at a given rate of speed at a certain time of the day, and then return home with his day's work done. Just how much rugged individualism can he apply in that particular job? Whether he is able to carry on or not at the required rate of speed in our modern industrial plants depends entirely on his physique.

Sometimes I also wonder if the man who clips coupons from the bonds that made such a plant possible, a plant that he has possibly never seen, and the products of which are turned out by men that he has probably never seen and certainly does not know—I wonder whether that requires of the bondholder a very great deal of rugged individualism. So far as those who are at the very head of these large industries are concerned, the executives, those who control, to-day and for some years past their individualism depends entirely on their ability to produce dividends. If they cannot do that, they are moved out and someone else takes their place. But that is not the case where there is ownership management, and that is something that will have to be taken into consideration in connection with these large concerns and be corrected.

It is also just as well-known on this side of the house as on the other side or in the corner, that people in industry to-day are not receiving the wages that they should receive to live properly. They are probably receiving all the wages that industry can give and continue to exist, but it is not sufficient to enable the workmen to live properly and carry out those duties and rights that an individual has in this country.

There is another thing that must be faced, and faced soon, by organized society because it is now very evident in every industrial centre, and that is that at the age of forty-five a man to-day is thrown upon the street. I know whereof I speak. In the shops in my own city to-day a man of forty-five years of age has no chance of securing a position, and when a man of that age is in a position, ways and means are found of seeing that he is let out certainly by the time he reaches fifty. These things react upon society because men who have worked a great length of time at one job are not fit for anything else, and when they are thrown out of work they are unable to take care of themselves; for I defy any man to say that at present wages a man can work from the age of twenty to forty-five years and in that time acquire sufficient to take care of himself for the rest of his life. It cannot be done, and that is something which the state, which after all is organized society, will have to take into consideration, and undoubtedly the sooner it is done the better.

I could go on and mention a number of other things that even the return of prosperity as we know it will not right. It is said and believed by everyone here I think that we have reached the ceiling of production in agriculture. We are producing more agricultural products than can be consumed. We are not producing anything like what the land in cultivation and the machinery available will produce. A short time ago I read a statement made in a report, I think of an agriculture committee in the United States, to the effect that fifteen per cent or less of

the people of any nation could, if properly organized, produce all the food necessary for the rest of the nation. With these things kept in view there is no doubt that there must be some lopping off and some changes made in the control. But even though these things are facing us I do not think it is necessary to scrap the entire system and to forget all that has been developed down through the ages. We should not throw over all those things which the people stand for and which are based mostly upon natural rights and natural laws. We should not adopt a new system of government such as we hear explained in this house in such a flimsy and cloudy manner. We should not adopt a type of government which cannot effectively be put into operation.

It is said that this government has been a government of laissez-faire, that there has been nothing done. When I hear statements such as the one just made by my hon. friend across the way, that any improvement is due to the policies of Mr. Roosevelt, I sometimes wonder if real attention has been paid to what has been done during the last three years. Surely the changes which have occurred in Great Britain have not been due to Mr. Roosevelt. Surely some credit should be given to this government for the additional markets which were opened up through the imperial economic conference. Surely the higher prices received by the farmers of this country as compared with those received by the farmers in the United States is not due to the policies of Mr. Roosevelt. The farmers of Canada are receiving higher prices for their products than the farmers of the United States where Mr. Roosevelt's policies are being applied. This government had the courage to meet the situation. I am proud to be sitting behind my leader; I am glad to be supporting a government which had the courage to put on such tariffs as were necessary at a time when the whole edifice of this country would have been ruined with the dumping of commodities from other countries. Despite the cry of importers, despite the cry of those who would have gained for the time being through the importation of cheap articles into this country at the cost of our own industries and the exportation of our capital, they saw fit to put on a tariff of sufficient height to provide work within our own country.

Mr. BOUCHARD: Does the hon. member claim that it takes more courage to raise a tariff than it does to lower it?

[Mr. Morand.]

Mr. MORAND: It certainly takes courage to do it. It took the proper knowledge of conditions as they were and the ability to apply that knowledge rather than paying heed to the popular appeal made at the time.

Surely some credit must be given the government for the fact that during the last few weeks of unprecedented cold not a single person has gone hungry or has suffered from the lack of proper fuel or clothing. I think the government deserves some credit.

Mr. EULER: There is no policy in that.

Mr. MORAND: There is no policy in that?

Mr. DUPUIS: That has been done by the municipalities.

Mr. MORAND: Yes, it has been done by the municipalities, but let me tell my hon. friend of what has occurred in my own municipality. Because of conditions over which they may not have had control or because of the lack of vision at a certain time, there came a time when they were not able to take care of their own people. The dominion and provincial governments then stepped in and they are now paying 100 per cent of the relief. Despite the fact that there are many people who are finding fault, there is not a single person in our town who has gone hungry or suffered from the cold.

Mr. EULER: Does the hon. member mean to say that the giving of relief strikes at the causes of the depression? Is it not merely helping out, the duty of any humanitarian government? It does not strike at the root of the trouble.

Mr. MORAND: There is no question but that it was the duty of the government, but they had the courage to face that duty.

Mr. EULER: You had the support of the whole house in that.

Mr. MORAND: We did not always have the support of the whole house. Your right hon. leader (Mr. Mackenzie King) was not always as quick to give that support.

We find that during the eight years that hon. friends opposite were in power and when there was great credit expansion, no control was exercised. This government has had the courage to bring before the house legislation to create a central bank, which will undoubtedly exercise such control as will prevent the large inflations and deflations of credit which have occurred. We find also that the construction of public works is being revived in an attempt to give work to as many as possible. Many of the provinces started such

a program but found it was too expensive. It was found that the carrying out of public works and the spending of money did not increase the purchasing power of the country as it should. The matter was allowed to drift, but the government now feels that it is justified in starting a building program in an effort to get as many of our people back to work as possible. We must not forget that the mere spending of money does not increase the purchasing power of the people. For the last three years I have heard my hon. friends in the corner claim that the spending of money on public works would increase purchasing power. So long as the financial institutions of this country continue to call in their credits, all that this would amount to is that the money paid out would be used in the paying of debts and the wiping out of credits. You might spend fifty, seventy-five or a hundred million dollars and not increase the purchasing power by one cent. When the reduction of credit has reached a point where it can go no further, the money spent is distributed throughout the country and the purchasing power is increased.

I should like to suggest to the government that in the carrying out of this program consideration should be given to the possibility of diverting a certain amount of this money in order to buy up stock and provide for loans or bonuses to new industries, industries that are indigenous to the country, industries that will fill a void which we are now having to supply from outside. Perhaps I might give an example; I suggest the sugar beet industry. We import 85 per cent of the sugar we use in this country, and we have land that is capable of growing sugar beets, besides farmers who need that source of employment. We have a market in our own country and the difficulty is to finance such an institution. I would respectfully submit to the government therefore that they think seriously of devoting a certain proportion of that money to the financing of such an industry. It is different from public works. Once an amount of money has been spent to provide employment in the construction of public works, no further work is available; indeed, instead of providing work such a construction is only too often an expense. But when you spend a certain amount of money to assist in the financing of such an industry as I suggest, after the building program is completed there is continuous employment from year to year in the area where the building has been constructed.

I am satisfied that this government fully realizes the situation in Canada; I am satisfied that it is advancing as rapidly as it can in the light of the knowledge it is bound to have, its members sitting as they do on this side; and I am satisfied that the people of Canada are more anxious to see a gradual but steady improvement in conditions, with a gradual change in that part of our system that may be at fault, than they are to see a new order brought about, a new order that might only turn out to be a Frankenstein which will destroy the very ideals they wish to have realized.

I have faith in Canada. I am not quite so much alarmed about the debts of the country as some others whom I hear around me. Let us not forget this fact—that the debts of a country, so long as they are within the country, are the riches of the inhabitants of the country. What we owe within the country is the richness of the country. It is taxable; it is wealth, and is just as much on the credit as on the debit side. Moreover, we have not tapped the natural resources of the country, and in Canada we can create ample wealth. In this dominion, with the knowledge, the education and the science we have at our disposal, we can create all that we need, all that is necessary to make this a real country; and I am convinced that with proper administration, slowly, if you will, but surely, and profiting by the experience we have had in the last few years, not being afraid of changes —and I do not believe for one minute that this government is afraid of changes, for it has given ample evidence that it is not— Canada will come out of the depression completely, as it is coming out to-day better than any other country in the world.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, while I am not able to agree with every statement in the speech from the throne, I do not see in it anything to which I am opposed, any major legislative proposals to which I can object. When the bills embodying the legislation there referred to are presented to the house, differences of opinion about details may arise and we may change our views regarding them, but with the proposals concerning agriculture, silver—I am not sure that I know much about silver—a central bank, the wheat agreement, the agricultural credit question and assistance to the provinces, in principle I am in hearty accord. That is the reason I voted as I did the other day on the straight want of confidence motion, a motion that was purely negative and con-

tained no constructive proposal. For years I have taken the stand in my constituency that I would not support such a motion except when a vote of want of confidence was practically the only way to deal with the question at issue, and especially not when there was before us a definite proposal in the way of a program of legislation.

However, while I agree with these proposals, I do not think they go far enough. I have at times voted on various proposals affecting unemployment, agriculture and debt that I think require attention, and for that reason I intend to support the amendment proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth). We have heard a great deal in the last four years about depression, and how Canada is pulling through. We have heard the Prime Minister (Mr. Bennett) say the banks were—what was it, the sheet anchor of the country? But my impression is that it is the farmers who have been the sheet anchor of the country. I am not saying that I know a great deal about the industrial centres of eastern Canada, but I submit that what has been going on on the farms of the west during the past four years is practically the conscription of the life savings of the farm population of my section of Canada, and that has largely helped Canada to weather the depression as well as she has. It may be a fine thing for an industry or institution to be able to declare dividends under the present circumstances—I do not think it is; there may be a difference of opinion about that—but the people who have been willing to put in ten hours a day working on the land or elsewhere and who have been selling their produce for about half the cost of production and even lowering their standard of living—these are the people who in my opinion have made the major contribution towards enabling Canada to weather the storm of the depression. I do not believe that this lowering of the standard of living is a good thing in itself, but they had to do it; only in this way have they been able to meet the prevailing conditions.

While I agree that there may be difficulties with regard to finance and credits, insurance companies, banks and railways, I do not believe there will be any greater difficulty in adjusting these matters than there has been in the adjustment of the agricultural and farming people to the very trying situation of the last four years.

Unemployment has been pretty well discussed: I will not touch it except to say as to public works, that so long as we do not have to go outside of Canada to obtain material or tools for the purpose, and the works are necessary, I cannot see that we shall impoverish the country by proceeding with them, and we ought to be able to make the necessary financial adjustment to do so.

A great deal has been said as to the public debt and the debt of the national railways, and whether it was increased or decreased during certain years. It is possible, I think, to make a showing as to reduction of debt in various ways, but what we have to deal with in Canada is not merely the railway debt, not merely the debt of the dominion, the provinces or the municipalities, but all debts, including private debts. Under present conditions, where the ordinary industrious farmer in Canada cannot pay his debts or in most cases even his interest, there is need for a tremendous readjustment of price levels.

There is a reference in the speech from the throne to the improvement of prices in Canada, and the suggestion is that it is due to the wheat agreement. I think the improvement in wheat prices in Canada has been due not to a rise in wheat values in the world market so much as to a lowering of the value of money on the North American continent. Other factors may have entered into it, but in my judgment that is the chief one. I believe that by stabilization of a reasonable volume of money in circulation, and by putting back into circulation some of that $900,000,000 that our banks have taken out of circulation in the last four years, we will find means of improving price levels within the Dominion of Canada and so making it possible to come nearer to balancing our budgets and paying our debts with reasonable interest charges thereon.

I am in favour of inflation. I do not believe the statements that have been made in this house against inflation are worth the breath they took to utter. But I do not mean that I am in favour of uncontrolled inflation. The Minister of Trade and Commerce (Mr. Stevens), speaking of inflation a few days ago, referred to Europe. There is no question that inflation in Europe, Germany and Austria, for example, was uncontrolled; money was inflated a hundred thousand times. I think I gave figures last year to show that if we in Canada inflated to the extent they did in Germany a bushel of wheat would be worth something like $700. Great Britain went off the gold standard. She did not go off; she was bucked off. Coming east for this session I remember reading a story about a famous horse called Midnight and the last bucking contest in which it took part. This horse never had been ridden, and the best cowboy

they were able to get in a certain part of the United States was thrown in two seconds, though he was supposed to stay on the horse for eight seconds. Great Britain tried very hard to stay on the gold standard. A national government was organized; an election was held, after which the national government held a large majority in the House of Commons. This was all done to keep Great Britain on the gold standard, but within a very short time she was off the gold standard because she could not stay on it. Instead of that being a bad thing for the world, in my judgment it was a good thing; it was the first big step towards reflation, reasonable inflation, and the rise of world price levels. When the United States, under President Roosevelt, undertook to follow that lead in a more vigorous way than Great Britain has undertaken so far, it was another big step towards rescuing the world from a large measure of debt and depression. I think if the government has made one mistake in the last two or three years that is more to be regretted than any other it was the determination to hang on to what was called sound money, to O.K. deflation and refuse to follow Great Britain's lead and go off the gold standard in order to allow a reasonable depreciation or devalutaion of the money in the Dominion of Canada. As we increase the supply of money we decrease its value, just as we do in connection with other things.

I intend, Mr. Speaker, to vote for the amendment, and I also intend to vote for the speech from the throne. According to the rules of the house, that have been drawn up for two parties, that may be quite inconsistent. It may be inconsistent to vote no confidence in the government and then to vote for a measure containing a number of proposals practically all of which I favour. But is that any more inconsistent than it is to vote against the address and then turn around and support the legislation after it is presented in this house? As I said the other day, in connection with these votes you are right and wrong no matter what you do. I intend to do what I think is the common sense thing to do in all the circumstances, in relation to my convictions with regard to the measures proposed.

I am not a lawyer, but I have heard a few constitutional arguments in this house; I have formed some opinions of my own, and I intend to discuss them this evening. The other day the ex-Minister of Justice (Mr. Lapointe) went on to discuss the significance of the three recent by-elections, and he added that the government had lost the confidence of the people because of unredeemed promises. During the course of his speech he quoted Mr. Gladstone and Sir Henry Campbell-Bannerman as having expressed views which support the position he took the other night when he asked that the government should resign and go to the country. But there has been some change in constitutional practice since the days of Gladstone and Sir Henry Campbell-Bannerman. What about the days of the Labour government in Great Britain? I may be wrong, but I do not recall any case when Mr. Gladstone was defeated in the house on a government measure and refused to go to the country. Under Ramsay MacDonald and the Labour party, however, we had votes of that kind time and again in the British house. I remember seeing one newspaper report that stated that the government had been defeated seven times and still did not go to the country. That was a relaxation of the previous constitutional practice.

We have also, Mr. Speaker, Canadian precedents as well as British precedents, and in connection with this very question I should like to quote what the ex-Minister of Justice said in this house. You will remember, sir, that in 1925 we had an election. If I am not mistaken the Liberals went to the country with about 117 members and came back with about 100, and when the house opened the first motion proposed by the then Minister of Justice was the following:

> That in the opinion of this house, in view of the recent general election, the government was justified in retaining office and in summoning parliament, and the government is entitled to retain office, unless defeated by a vote of this house equivalent to a vote of want of confidence.

Then the argument began. I remember how Mr. Meighen jumped into this discussion with all his vigour. Perhaps I had better read Mr. Meighen's amendment:

> That all the words after the word "that" be struck out and the following substituted therefor:
>
> In the late general election the candidates of His Excellency's then advisers, at whose instance the appeal to the country was made, were defeated in a large majority of the constituencies,
>
> That nine ministers of the crown, including the Prime Minister, were rejected at the polls and have no seats in parliament,
>
> That the party represented in the last parliament by His Majesty's opposition secured in the said election by far the largest support in the popular vote, and has substantially the largest number of members of any party in the present House of Commons.

In discussing the matter the then Minister of Justice said:

> My right hon. friend is one in parliament, as I am one. We are all equal here, and the

question whom parliament wants as the executive, the board of control, the cabinet in Canada at the present time, must be decided by members of parliament, not by the cabinet. This being the issue to decide which parliament has been summoned, after we have been charged with being usurpers who have no authority—

Some hon. Members: Hear, hear.

Mr. Lapointe: Then why does my right hon. friend object to having that issue decided?

Mr. Wilson (Wentworth): The people decided it.

Mr. Lapointe: Yes, the people as represented in parliament, not the people of one province or another. The people of all the provinces of the dominion, as represented here by the members whom they have elected, are the judges.

That is perfectly plain. The position he took was simply this, that a government that obtained a majority vote in the house had the confidence of the country. That position was different from the position taken by Gladstone and Campbell-Bannerman, but it was the sensible position to take under all the circumstances, and it is the sensible one to take now.

Mr. HANBURY: You do not want the risk of an election yourself.

Mr. KENNEDY (Peace River): Who in this house wants an election in February or March? If we had a vote of no confidence that defeated the government, would we go to the country without supply and without dealing with any of this legislation? I venture to say there would be conferences right away between the opposition and the government in order that some arrangement might be made to carry on temporarily.

Mr. HANBURY: Why are you going to vote for the amendment, then?

An hon. MEMBER: Who is making the speech?

Mr. KENNEDY (Peace River): I have already explained why.

Mr. SPOTTON: You do not need to explain to them.

Mr. KENNEDY (Peace River): I do not mean to be tricked by rules and interpretations of rules made by people with whom I am not in agreement. I will vote for any amendment which appeals to my judgment as having something constructive in it, and something which ought to be taken into consideration by the government of the day.

Mr. McINTOSH: The government are preparing for an election; why not have it?

Mr. KENNEDY (Peace River): This practice of leaning on Mr. Gladstone who died years ago and on Mr. Campbell-Bannerman, rather than accepting general principles and applying our own common sense to the situation, is a position I cannot take, and I do not intend to be snared by any such argument, regardless of who advances it. I was one of those who supported the position taken by Mr. Lapointe in 1925. I offer no apology for differing with him when he changes his position to-day.

Now then, "the government has lost confidence in the country because of its unredeemed promises". I have listened to the debate; I have heard the hon. member for Vancouver Centre (Mr. Mackenzie) and I have heard the very excellent propagandist speech of the right hon. gentleman who leads the official opposition (Mr. Mackenzie King). What have we got for a Liberal program? Very largely it is the Liberal platform of 1919 with a new date stamp on it. I am not going to say we ought to condemn the Liberal party because it did not carry into effect all the planks in its platform. I am not going to take that position at all. But I do think that some explanation ought to be made as to why, for instance, we are being told to-day that if they come back into office they will give us unemployment insurance. Everybody knows—and I think my friends will understand that I am making this statement because I believe it to be true—that we had fairly good times in Canada between the years 1924 and 1929. Any time Liberals review those years they say, and quite truthfully, that they did certain things—reduced for instance, the public debt, the national railways were prosperous. They say that they had large surpluses. Very well; why was not the country in a financial position to give effect to the promise with regard to unemployment insurance? Why do we have to wait until 1934 and run another campaign on it? At that time we had financial resources; we had the promise of the government in power to carry such a scheme into effect. I submit that question ought to be answered.

I now come to another point. Turning to the paragraph entitled Resolution on Encouragement to Agriculture contained in the booklet issued by the National Liberal Convention of 1919, I find the last clause reads as follows:

> Your committee on agriculture begs to recommend that a special committee be appointed to prepare a resolution upon the banking system of Canada and the adapting of said system to satisfactory loans in connection with land and live stock and to present such resolution to your committee.

There is your intermediate and short term credit. But was effect given to that recommendation? It was not. Governments have

within their power that which acts as a great determiner in connection with the balancing of income and the readjustment and equitable distribution of the national wealth, namely, taxation. I do not think we have ever had a government which has really made use of the powers of taxation with a view to redistributing or distributing properly the national income. From the same booklet I find a paragraph entitled Resolution on Financial Condition and Taxation. From that paragraph I shall take the last section, but if any hon. member wishes to hear the rest of it I shall be pleased to give it to him. It is as follows:

That increase of revenue must be sought from an equitable and effective imposition and collection of graduated taxes, on business profits and income, applicable to all incomes above reasonable exemptions.

I call the attention of hon. members to the expression "graduated taxes, on business profits and income." It has been stated that the period of largest profits in the history of Canada was between 1924 and 1929. In the paragraph I have just read we have reference to taxes on business profits and income. Consulting the Canada Year Book for the years 1919, 1922, 1925 and 1929 as to collections under customs taxes, business profits and income I find the following figures:

Year	Customs taxes	Business profits	Income
1919.. ..	$147,169,188	$32,970,062	$ 9,349,720
1922.. ..	105,686,645	22,815,667	78,684,355
1925.. ..	108,146,871	2,704,427	56,248,043
1929.. ..	187,206,332	455,232	59,422,323

But the Liberal party promised a readjustment of taxation so that the indirect taxation falling on the consumers would be lightened. There is no question as to what the platform says about that, because we have the following paragraph from the convention booklet:

Whereas both Great Britain and the United States at present raise more than 80 per cent of their revenue by direct taxation, while Canada raises not more than 20 per cent; therefore be it resolved—

And so on. It would seem that they were going to increase revenue by the business profits tax and by income tax.

So, Mr. Speaker, what we are being offered to-day as a substitute for government policy is very largely what was offered in 1919. I think it will be generally agreed that although reductions were made in the customs tariff during some of those years, notably 1924 and 1926, the general level was not greatly reduced. May I ask, with all due respect, if a new government coming into office to-day would find it easier to reduce tariffs than the government which took office in 1921 with about fifty-one Conservatives in the house and practically the whole of the remaining members pledged to lower tariffs? What about the general trend of tariffs in the world since that time? What about the restrictions—quotas, and so on—which Sir Arthur Salter said were due largely to the wrong operation of the monetary policies of the various countries of the world? We were told very definitely in the speech of the right hon. gentleman who leads the official opposition that what we have of depression in Canada is largely due to the policies of the government. Well, I do not think the right hon. gentleman himself agrees with that statement. In the speech in which he was discussing the C.C.F. resolution moved last year by the hon. member for Winnipeg North Centre (Mr. Woodsworth) he said this, and I think it is a good thing that that motion was moved because it at least brought this forth:

I remember, at the time the Liberal party appealed for office and was returned to office in 1921, conditions were not unlike those at the present time.

He then goes on to argue what they did when they were returned to power. He says:

And that is exactly what we did, and what happened. After we came into office we reversed in many particulars the policies of hon. gentlemen opposite. They had been raising tariffs, we immediately lowered tariffs. They had been introducing other measures which were restricting trade; we took steps to remove those restrictions, and in a short time, as hon. members know, instead of huge deficits and increased taxation and continued depression this country had for seven years in succession surpluses instead of deficits, reductions in the public debt accompanied by reductions in taxation, and a great increase in trade and employment, with consequent prosperity throughout the dominion.

"We did it"—that was the whole argument. He went on:

I might say that my right hon. friend in the last general election, in opposing the then Liberal administration, adopted very much the same course, only he went a great deal further in what he promised. We were then at the beginning of a part of the present world depression. My right hon. friend stated that it was due to the mistaken policies of the administration. He put it all down to the policies of the administration then in office, and he sought to win the support of the electors by stating that if returned to office he would alter those policies and put others into effect which would end unemployment.

What is the situation? When the Liberal party was in office, "we did it," so far as everything good was concerned, and anything that was open to criticism was put down to the world depression. I ask, what is the

difference between their attitude when in office and that of the present government? Exactly the same arguments were advanced by the present Prime Minister when he was leader of the opposition against the Liberals, then in office, as are being advanced by the opposition to-day, and we are being asked to take those arguments seriously! And the same replies came from the other side of the house at that time as come from that side to-day—that the government's policies were responsible for anything good and that the world depression was to blame for anything bad.

Mr. DUPUIS: What are you doing?

Mr. KENNEDY (Peace River): I am going to support all the legislation that I think is in the right direction, and vote against any legislation that I think is not.

Mr. DUPUIS: You criticize—that is all you do.

Mr. KENNEDY (Peace River): No, we have moved an amendment stating what we believe should be done.

With regard to the raising of tariffs, it is said that they were raised because of what had been done in other countries. But there was a strong presumption that the Canada first policy was being used to protect certain people rather than to meet world conditions. That was the impression in the country, that the primary reason for high tariffs was the protection of certain people. I do not know that it is going to be so easy to lower them—certainly no easier than it was in 1921; not so easy, I think.

To hon. members who ask what I want, may I say I want a reasonable inflation. I want a reduction in interest rates, and that can never be done, in my judgment, until the government at Ottawa undertakes to do it. I do not believe that this country can pay eight per cent except in a period of constant and continuous inflation. I believe we require what was mentioned this afternoon, an adjustment of the rewards of industry as between capital and labour, and I see no real constitutional difficulty in doing that, because if the Prime Minister can say to the western provinces, as he did, "Because we are giving you financial assistance we demand that you do so and so," it is just as right for him to say to industry, "Because we are giving you protection we demand that you do so and so in your industries." I maintain that there you have an opportunity to regulate and control by reason of the protection you are giving.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, it gives me very great pleasure indeed at the commencement of my few remarks to join with the speakers who have already tendered their congratulations to the hon. member for Compton (Mr. Gobeil) and the hon. member for Fraser Valley (Mr. Barber), the mover and the seconder of the address. It must have been a source of satisfaction to them to receive the attention which was accorded to them from all sides of the house for their able addresses.

I had not intended to make any observations on the address. After listening to the debate, and reading the addresses that I had not the opportunity of hearing, I felt that the one outstanding fact in all the addresses was that there was practically no criticism whatever of the government with respect to its policy in agriculture. I would be the last person in the house to say that the condition of agriculture in Canada is anything like what we desire it to be, but having regard to the lack of criticism of our agricultural policy I felt that the great majority, nay practically every member of the house with the exception of three or four, has been sufficiently interested in agriculture to follow what has been done by this government by way of policy to assist it, and that their silence was their best appreciation. But after the right hon. leader of the opposition (Mr. Mackenzie King) made the sweeping statement that he did, in which he was not followed by any of his supporters except three or four—and may I say that because of the sweeping nature of the statement we paid very little attention to it—I felt that I was warranted in saying a few words if for no other reason than this. I say this in a spirit of kindly criticism of hon. gentlemen opposite, that during parts of the speech of the right hon. leader of the opposition towards the middle of the afternoon there were only twenty-seven of his supporters in their seats in this house. I think we can only take that as an indication that he was not receiving their wholehearted support. I do not think it is fair for hon. gentlemen opposite to give that limited amount of support to their leader, no matter how much they might disagree with him in the views he presented. I felt it rather as a personal thing, the right hon. gentleman being a neighbour of mine, and I can say in his absence that it rather hurt me that he did not receive more support. I would not suggest that hon. members should have remained in their seats for the full four hours and twenty minutes, but surely they could have agreed on a policy of shifts for relieving each other

so that at any time there would have been present at least one-third of the membership opposite.

But when the hon. member for Winnipeg North Centre (Mr. Woodsworth), the leader of the C.C.F. party, moved his amendment to the address, which amendment amounts among other things to practically a motion of want of confidence in the policy of this government in agriculture, I felt that I had no choice but to crave the indulgence of the great majority of the members of the house who had appreciated what had been attempted and done for agriculture, and make at least a few observations for the enlightenment of those who evidently have not been sufficiently interested to acquaint themselves with what has been done for agriculture.

I cannot do better at the outset than to read the statement made by the right hon. leader of the opposition in the course of his speech on the address. I quote from Hansard, page 28, as follows:

> I say the government has not done for agriculture a thing worthy of mention.

And again, referring to the farmers:

> The cost of their clothing, boots and shoes, housing material, farm implements and the like, in fact the cost of everything which enters into production, has been increased.

Both statements are so sweeping that I am sure that everyone who reads them must have been impressed with the thought that the speaker had not given serious consideration to the matter, and that they were the words of a man in desperation. The last statement has been disproved by figures put upon Hansard during this debate by members of the right hon. gentleman's own party. I do not think any hon. member has any doubt as to whether there has been a reduction in the price of clothing, boots and shoes and the implements of production. If he has, all he needs do is to consult his storekeeper or, better still, the catalogues of the large mail order houses.

The right hon. gentleman states that the government has not done for agriculture a thing worthy of mention. He stated that last summer he went through the west and, therefore, had firsthand information as to the condition of the agriculturists in that part of the country. One would have thought that if this matter were so close to his heart it would have been the predominant note in his speeches. I ask the indulgence of the house for a few moments while we go with the right hon. gentleman in his trip through the west. We find his first speech in Winnipeg reported as follows:

> The Cooperative Commonwealth Federation was taking advantage of the discontent at present in the country to present to the people a plan which it claimed would lead to a haven of safety and comfort. But the effect of the plan would be to place the people under the direction of some dictator or dictators. The plan of the Canadian Cooperative Commonwealth Federation is revolutionary in character. It advocates state control of the great industries of the dominion and of Canada's financial organizations. It assumes that state control of everything will result in liberty. In reality the effect will be to destroy liberty.

I should like to repeat part of that statement, and in doing so I am sure it will recall to the mind of every hon. member in the house the speech of the right hon. gentleman during the debate on the address, a speech which lasted for four hours and twenty minutes. I repeat:

> The Cooperative Commonwealth Federation was taking advantage of the discontent at present in the country to present to the people a plan which it claimed would lead to a haven of safety and comfort.

I was in Regina when the right hon. gentleman spoke in that city, and there again he almost breathed words of fire and brimstone against this organization. We will follow him. A report in the Prince Albert Herald, a Liberal paper, in connection with the right hon. gentleman's speech at the "Ridge" picnic, is as follows:

> Two-thirds of the resolutions passed at the Cooperative Commonwealth Federation's conference at Regina can be endorsed by the Liberal party because they embody the principles of liberalism, Mr. King stated.

He is reported as having said at Wainwright on August 10 that "as a matter of fact three-fourths of the Cooperative Commonwealth Federation's program was almost identical with Liberal policies." That was within a week. One would naturally expect that in his next speech the percentage would be still higher, but we find that he is following his usual inconsistency. The Winnipeg Free Press, which is not considered a Conservative paper, reports the right hon. gentleman as having said at Wetaskiwin on August 12 that "the whole thing is a sham and delusion." Addressing a number of farmers at Estevan he is reported to have made this statement:

> Had I been Prime Minister of Canada in the last three years you people would not be in the condition in which you are to-day.

Mr. McKENZIE (Assiniboia) I was there and he did not make that statement.

Mr. ERNST: You are quite sure he was wrong if he did.

Mr. WEIR (Melfort): The condition of the agriculturists in Estevan which the right hon. gentleman claimed he would right is best shown by the crops they have harvested. The approximate yield of wheat in the Estevan district in 1930 was six bushels per acre; in 1931, it was almost a complete failure; in 1932, is was six bushels per acre and in 1933, two bushels per acre. I do not think even his most ardent admirers would go so far as to say that the right hon. gentleman could have corrected such conditions. Therefore, he could not have meant that. Even accepting the correction of the hon. member for Assiniboia (Mr. McKenzie), that the right hon. gentleman did not say what he is reported to have said, I think it could truthfully be said that had he been prime minister for the last three years the people would have been in a different position. I need no more proof of my argument than the words of the right hon. gentleman in this house which showed his attitude towards relief in the province of Saskatchewan as compared with what has since been done by the present government.

Before dealing further with the right hon. gentleman's remarks, I shall take a few minutes to deal with certain criticisms made by hon. members opposite during this debate. The hon. member for Assiniboia is reported on page 407 of Hansard as follows:

> As a matter of fact, right to-day, although, as the right hon. gentleman mentioned, the hog market in Canada is very good, it can be of no benefit to those people who have no feed for their hogs and cannot fatten them for the market. He did not mention wool. Last year in my constituency wool was selling for from seven to nine cents per pound.

I went to the trouble to look up the prices paid last year for wool, realizing that in the northern part of Saskatchewan a higher price was being paid. I communicated with the Canadian Cooperative Wool Growers Limited in Toronto, and I received the following telegram with reference to the wool market in Saskatchewan:

> Net prices paid to growers southern Saskatchewan their station on main grades of wool follow. Fine staple 14½ cents; fine medium staple 15 cents; fine medium clothing 14 cents; medium staple 14½ cents; medium clothing 13½ cents; low medium staple 12½ cents. Fine medium staple comprised over forty per cent of the clip. Next in order fine staple and medium staple.

Mr. BROWN: What date is that?

Mr. WEIR (Melfort): February 9.

Mr. BROWN: 1933?

Mr. WEIR (Melfort): 1934. I made my inquiry after the hon. gentleman's statement.

[Mr. Ernst.]

Mr. DONNELLY: What time did the prices cover?

Mr. WEIR (Melfort): They are the prices paid for the 1933 clip of wool. To make certain that they would be representative I wired to the same association asking them if these were representative prices paid, and what proportion of the wool clip they purchased. This is their reply:

> Toronto, Ontario,
> February 10, 1934.
>
> Hon. Robert Weir,
> Minister of Agriculture,
> Ottawa, Ont.
>
> Of southern Saskatchewan range wools we handle ninety per cent and about forty per cent of the domestic farm flock wools. Our average price paid net to farmers their station on Saskatchewan farm flock wools twelve to twelve one-half cents. Same average would apply southern Saskatchewan farm flocks. Average price paid range wools southern Saskatchewan fourteen to fourteen one-half cents. Range type wools constitute more than half total wool production southern Saskatchewan and average net price paid range and domestic types together thirteen three-quarter cents.
>
> Canadian Cooperative Wool Growers Ltd.

Mr. McKENZIE (Assiniboia): Ninety per cent of the wool in my particular part of the country was sold at from seven to nine cents, and smuggled across the line into the United States.

Mr. WEIR (Melfort): Accepting the hon. gentleman's statement that ninety per cent of the wool in his district was smuggled across the line at seven to nine cents, I can hardly believe that the farmers in his constituency are so wanting in intelligence that when a cooperative organization like the Canadian Cooperative Wool Growers Association is purchasing ninety per cent of the wool at the price they did pay for it—

An hon. MEMBER: They did not.

Mr. WEIR (Melfort): This is their own statement and I can certainly vouch for it that in our part of the province in the north, where we did not have fine wool sheep, our prices were considerably above from seven to nine cents.

Mr. BROWN: What date?

Mr. WEIR (Melfort): This is the 1933 clip.

One other statement was made by the hon. member for Assiniboia in which he suggested reciprocity with the United States, and he referred to hogs as one of the items he had in mind. Translating that statement into dollars and cents, for us to have reciprocity with the United States in hogs would mean

a loss, based on prices paid in the week ending February 1, of three quarters of a million dollars for that one week. I am sure that no hon. gentleman, seriously concerned about the welfare of the farmers of this country, would suggest that we throw away in one week, for the sake of a fetish, a political argument, a sum of money so considerable as that.

I will now dwell for a few minutes on the argument made by the hon. member for Willow Bunch (Mr. Donnelly) with reference to the price quotations given by the right hon. the Prime Minister in his speech on the address. I checked carefully the prices quoted by the Prime Minister; I was responsible for their preparation, and it is interesting to know that the prices quoted by the Prime Minister were taken from sales tickets of actual sales on comparable markets and comparable quality or grade of agricultural products, agreed upon for years as being comparable in both respects—agreed upon by what is considered in the United States the most reliable authority in that country, the United States Bureau of Animal Industry. The figures quoted by the Prime Minister were, as I stated, actual sales, and they were not extreme top sales but bulk sales. So that it is not necessary with conditions as they are to paint a picture other than is presented by the actual fact of the matter.

In connection with beef prices quoted, if we had taken individual sales—actual sales, not quotations—it would have been a dollar higher or more had we included baby beef; but we did not do that. The hog prices quoted were not extreme tops in hog prices either.

The hon. member for Willow Bunch, speaking with reference to these prices, quoted as his authority the Chicago Tribune and the Winnipeg Free Press. I have taken pains to check the figures in that particular as well, although the two markets are not at all comparable; it would be just as comparable, if not more so, to compare Winnipeg with Toronto or Winnipeg with Montreal as to compare Winnipeg with Chicago, even granting that the prices quoted by the hon. member are not in accordance with the prices that are given for the Chicago market by the United States Bureau of Animal Industry. For example, the hon. member, at page 419 of Hansard, quoted steers from 1,100 to 1,500 pounds, on the Chicago market, at $5.60 to $7.35 and on the Winnipeg market at $4 to $5. The quotation given by the United States Bureau of Animal Industry, so far as the Chicago market is concerned, is $4 to $7.10—lower, both at the bottom and at the top of the scale. For steers 700 to 1,000 pounds the hon. gentleman quoted, on the Chicago market, $5.35 to $7.35, whereas the Bureau of Live Stock Industry gives $3.50 to $7.35. For stockers and feeders, the hon. member quoted, for the Chicago market, $2.25 to $5.25, and the Bureau of Animal Industry gives $2.50 to $5. In each instance the figures given on the authority of the Chicago Tribune fail to tally with the figures given by the United States Bureau of Animal Industry.

Take now the quotations given from the Winnipeg Free Press. For steers, 1,100 to 1,500 pounds, the quotation is $4 to $5; steers, 700 to 1,000 pounds, the price quoted in the Winnipeg Free Press is from $4 to $5. Both these are correct according to actual sales recorded in the markets branch of the Department of Agriculture. Stockers and feeders are quoted in the Winnipeg Free Press, which the hon. member read to the house, at $1.25 to $2.50, and looking up the records of sales on that date—we receive information from the stockyards—we learn that there were no sales of stockers and feeders at all on the Winnipeg stock market on that date.

We have calves quoted by the hon. member, so far as Chicago is concerned, at from $2.50 to $7.50, and in Winnipeg, $2 to 7. The actual top sale in Winnipeg on that date, and it was an actual sale, was $7.50, while in Toronto on the same date it was $9, although in Chicago it was $7.50.

As regards lambs, the figures given for Chicago by the hon. gentleman are $5.75 to $9, and for Winnipeg, $3 to $5.50. There were no lambs sold in the Winnipeg stock yards on that date. For good lambs, the figures the hon. gentleman gave from the Chicago Tribune were $8.75 to $9 in Chicago, and the Winnipeg price he quoted was $5.50. There were no lambs of any kind sold on the Winnipeg stock yards on that date. Quoting from the Chicago Tribune, the hon. member gave, for sheep, prices of $2 to $7.75, and in Winnipeg $1 to $2. There were no sheep sold on the Winnipeg stock yards on that date. I will leave it to hon. members if they require better proof of the weakness of any opinion against the agricultural policy of this government, when to make a case resort has to be had to such statements as that to which I have referred.

The hon. member for Willow Bunch (Mr. Donnelly) in connection with the wheat agreement made this criticism—

Mr. DONNELLY: Does the hon. minister mean to say that those prices were not in the Chicago Tribune or the Free Press?

Mr. WEIR (Melfort): The hon. member cannot have heard me. I made it very clear that these prices he gave were quoted from the Chicago Tribune and the other prices from the Winnipeg Fress Press.

Mr. DONNELLY: And the papers were wrong? Why blame me for it? Write to the papers and see if they are wrong.

Mr. WEIR (Melfort): I am not blaming the hon. gentleman for it.

Hon. members on the opposite side of the house said that this wheat agreement was all wrong, that there should not be this restriction in wheat acreage. I do not intend to go into the question of the wheat agreement, or to come to the defence of Mr. McFarland, who is operating on behalf of the western wheat pools; that was done very thoroughly the other night by the Minister of Trade and Commerce (Mr. Stevens); but I would like to say that we have on record statements by the premiers of the three prairie provinces, irrespective of the political party to which they belong, that this was a very essential step to take. The wheat pools of western Canada, which certainly represent a very large number of wheat farmers, have also put themselves on record as being in favour of this agreement. The grain trade, which has a vital interest in the marketing of our wheat, has also put itself on record as being in favour of it. I do not think it necessary to say more. I feel that we are in good company, certainly in the company of a very goodly majority as against the opinions of two or three hon. members who perhaps have reasons, other than the advantage of the wheat farmers, for criticizing the agreement.

I have read to the house the statement made by the right hon. leader of the opposition on his trip to western Canada, that he went there to study agricultural conditions first hand. I was in the west at the time the right hon. gentleman came there, and I think I am giving an honest and representative opinion of what people in the west expected with reference to that visit, namely that there was coming to the west in the person of the right hon. gentleman one who had had such an opportunity as is given to few men in this dominion, one who in the capacity of Prime Minister for nine years had the opportunity of studying international finance, international trade and international relationships at a time when the world was prosperous, when things were certainly much nearer normal than they have been since. Equipped with that experience, he had had three years in the seclusion of Laurier House or his farm in the Gatineau hills to study conditions during the years that have elapsed since this government came into power. Was it then not reasonable that people in western Canada should expect from a gentleman with those advantages, in comparison with others who had been entrusted with the administration of government for a very limited time, some practical, some definite suggestions of a constructive nature to help our country at the present time? But I challenge the right hon. gentleman or any hon. member of the house to state one specific constructive idea that he gave. He stated, as has been his custom, that he advocated wider markets, lower tariffs; but I think the majority of farmers in the west at least feel that there is no citizen in the Dominion of Canada who should keep a more absolute and stricter silence on the question of wider markets and tariffs as far as agricultural products are concerned than the right hon. gentleman himself. For nine years as Prime Minister of this country he saw market after market in country after country absolutely closed in many cases to the agricultural products of this country, markets that were free when he took office but around which tariff walls were put up that made it impossible for the agricultural products of this country to get in. Yet he came to the west and talked of wider markets, throwing out the inference that if he were in office now he would assure wider markets and lowering of tariffs. The only tariffs the right hon. gentleman could lower are the tariffs of this country, and to lower our tariffs would certainly not widen the markets for our agricultural products.

To show still further the inconsistency of the right hon. gentleman on that tour I will quote from a paper whose favourable attitude towards the Liberal party I think no person in this house will dispute. The right hon. gentleman after that tour came east. He went to the Liberal summer school at Port Hope. That he was assiduous in his attendance is stated by the Leader Post of Regina in its issue of September 11, 1933. The report says:

> Two speakers addressed the final session, which was presided over by Hon. Vincent Massey, former minister to Washington. The second of the addresses was delivered by Rt. Hon. W. L. Mackenzie King, Liberal leader, who summed up the work of the conference. Mr. King had been in close attendance upon all the lectures and round table discussions for the whole period of the proceedings.

Yet in the Leader Post of September 6, 1933 we have this statement:

> (By Canadian Press)
> Port Hope, Ontario, September 6.
>
> What immediate action could be adopted to increase Canada's exports, particularly of

wheat, was canvassed at Tuesday's session of the round table on tariffs at the Liberal summer conference here. At the end of the discussion, however, when everything from reciprocity to free trade had been discussed, no suggested solution was forthcoming.

The right hon. gentleman went through the west and gave the impression that if he were in power there would be wider markets and lowering of tariffs, yet at this meeting, where they were assembled for days with the best brains of the Liberal party in this dominion, and I believe some imported brains from outside the dominion, and with nothing else to engage their attention, they admitted, according to the report of their own paper, that there was nothing they could do to get wider markets other than what had been done and was being done by the present government.

I have taken longer than I had intended in this part of my address. I will now deal for a few minutes with the situation in respect to agriculture as we found it when taking office in 1930.

Tariffs had been raised in practically all countries of the world to protect their own agricultural industries, notably in Germany, France, Italy and the United States. The surplus of bacon and butter that had been going from Denmark to Germany, France and Italy, also the surplus from New Zealand and Australia, being turned away from its accustomed market, had to flow into some market from which it was not shut out by tariff walls. The result was a greatly increased flow of agricultural products into the one free market of the world, that of the United Kingdom. That had such a depressing effect on the United Kingdom market that farmers were practically put out of business overnight and the world market was depressed out of all proportion to what had been the case previously.

In addition to that we in Canada had to face a condition that arose during the last year hon. gentlemen opposite were in office. By one action alone, the raising of the United States tariff against our cattle, about 145,000 head of cattle annually were shut out from the United States market. In 1929 Canada exported over 250,000 cattle to the United States, but their tariff was put up during the time hon. gentlemen opposite were in office to such an extent that only relatively few cattle could be shipped to that country. That great stream of cattle was turned back year after year for us to market somewhere else. Yet we hear hon. gentlemen opposite speak of wider markets.

In the east a similar condition arose in regard to a different commodity. For many years a great milk and cream trade had been growing up between the farmers of the eastern part of Ontario, the eastern townships of Quebec and the maritimes, and the United States, to such an extent that in 1927-28 the flow of milk and cream to the United States was sufficient to have produced 52,000,000 pounds of cheese. Imagine, then, the result of a tariff being placed against that milk and cream, turning back into the home market an additional 26,000,000 pounds of butter or, in terms of cheese, 52,000,000 pounds of cheese. Those were just some of the legacies from the previous administration with which we had to grapple when we came into power.

During the election campaign it was stated that if returned to power we would take steps immediately to give the Canadian market to the Canadian farmer. That has been done so far as it is possible for us to do it by tariff and other means. During the short session of 1930 duties were imposed to shut out the agricultural products of the United States and other countries that were coming in here and displacing our own products. If anyone has any doubt as to whether or not that action was appreciated by the fruit and vegetable growers, and as to whether or not they considered that they were given a better and wider market, I should like to read some communications that have been received from farm associations which have no political tendencies at all. I quote Mr. James E. Johnson, manager of the Norfolk Fruit Growers' Association, Simcoe, Ontario:

> The policy of the government in regard to the fixing of fair market values for fruits and vegetables has been of considerable benefit throughout the whole season in the marketing of the apple crop.

Mr. MacDonald, president of the British Columbia Fruit Growers' Association, states in part:

> The greatest stabilizing influence upon the marketing activities of the growers during the past season was the establishing of the fair market values by the Dominion government; it enabled the growers to market crops which previously rotted in orchards and gardens. It is estimated that $184,000 had been saved by the fruit growers of the province which otherwise would have been lost had the growers been compelled to meet the competition from the United States.

Mr. Somerset, chairman of the Ontario Marketing Board, states:

> The establishing of the fair market value saved the Ontario growers from receiving ruinously low prices during the past season and prevented the marketing situation from becoming a chaotic condition and prices from dropping much lower than were realized.

These are typical communications. To show the extent to which the action of this government gave a wider market to Canadian

fruit and vegetable growers I should like to put on Hansard the record of carload arrivals of seven of the chief commodities on twelve principal domestic markets:

	1930 Carloads	1931 Carloads	Increase
Apples	3,032	3,476	444
Celery	190	235	45
Grapes	72	350	278
Lettuce	15	27	12
Onions	617	886	269
Pears	52	59	7
Plums	9	12	3

The converse of the picture is given in regard to imported carloads of the same seven commodities:

	1930 Carloads	1931 Carloads
Apples	476	436
Celery	810	405
Grapes	1,056	541
Lettuce	1,304	862
Onions	725	431
Pears	515	415
Plums	96	58

In each case there was an increase in domestic carload shipments and a corresponding decrease in carload importations.

Mr. DUPRE: Has the minister the total importations of these various products?

Mr. WEIR (Melfort): No, I have not.

Then, Mr. Speaker, having given the Canadian farmer the benefit of the home market the Ottawa agreements gave the Canadian farmer the advantage of a protected market in the United Kingdom. I think perhaps the result of the Ottawa agreements can be best shown by a statement that was made by R. G. Phillips, Secretary of the International Apple Shippers' Association, of Rochester, New York, on the export apple situation:

Re export developments in Canada and the United States:

From the 1928-29 season to April 1, to the 1932-33 season to April 1, the records show as follows:

Canada gained 38 points; the United States lost 38.6 points. Canada has been broadening her field by reciprocal trade treaties and free entry into Great Britain, while United States outlets are being rapidly curtailed.

Canada is broadening her export markets by commercial treaties including Germany, France et al, and under the Ottawa accord, while the United States sits by and sees its markets curtailed. That curtailment will be more pronounced from now on, unless something is done.

Re Economic conference agreements and exchange situation:

The net result of these trade barriers and disruptions was that United States' exports of apples to Great Britain (our best customer) declined 38 per cent this present season to April 1, 1933.

The following is a statement with reference to the export of American apples sold in the United Kingdom. During the current fiscal year to January 4, 1934, 1,629,639 barrels of Canadian apples have been sold in the United Kingdom as compared with 700,512 barrels for the corresponding period of last year, and 1,600,003 boxes as compared with 1,442,361 boxes last year, increases of 133 per cent and 11 per cent respectively. On the other hand, 283,942 barrels and 949,380 boxes of United States apples have been disposed of on this market, as compared with 785,210 barrels and 1,389,450 boxes last season, reductions of 64 per cent and 32 per cent respectively.

In addition to the wider markets we obtained for our fruit growers under the Ottawa agreement I have something further which will be of interest. A tariff agreement with Germany providing a reduction in duty on Canadian apples, effective January 1, 1933, has had a wonderful effect on Canadian shipments to that country. The total shipment to Germany of our apples from April 1, 1933, to January 3, 1934, was 47,350 barrels compared with 843 during the preceding fiscal year.

To-night I had intended to deal only with markets, but I must say in addition to this widening of markets for our fruit growers we have carried on a very active campaign against the inroads made by apple maggots in the infested orchards of Nova Scotia and Ontario.

Mr. VALLANCE: Would the minister permit a question? In giving the exports of the Canadian products to the United Kingdom, has he now in front of him information showing the exports of ham and bacon as arranged under the Ottawa agreements? We are allowed 2,500,000 hundredweight. How much have we taken advantage of?

Mr. BENNETT: Thirty-six per cent.

Mr. WEIR (Melfort): If it will be acceptable to the hon. member may I say I will deal at a later time with the Ottawa agreements with reference to a wider market for our bacon. As the hon. member for South Battleford (Mr. Vallance) knows we have a right to ship into the market of the United Kingdom free of duty 280,000,000 pounds in any one year.

Mr. VALLANCE: Of what?

Mr. WEIR (Melfort): Of bacon.

Mr. VALLANCE: 2,500,000 hundredweight?

Mr. WEIR (Melfort): Yes, or 280,000,000 pounds. During the first year that the agreement has been in force there has been shipped all that is available for export of the right quality, slightly over 70,000,000 pounds.

Now for a few moments I should like to deal with one other of our chief agricultural commodities, namely butter. When this government took office the butter situation in Canada was as follows: Millions of pounds had been shipped into Canada from the dominions of Australia and New Zealand. On top of that our milk and cream, as I said before, had been turned back from the United States so as to increase the production of our dairy products to the extent of about 26,000,000 pounds more butter or 52,000,000 pounds of cheese. The right hon. leader of the opposition has stated that if he were returned to power one of his objectives would be to put the tariff back to the point where it was when he went out of office. That would mean that at the present time the duty against New Zealand and Australian butter would be from one-half cent to one cent per pound. If that were true, making all allowance for extra freight and handling charges butter could have been shipped into this country from New Zealand in April last for a little over twelve cents per pound. It is a very simple matter to follow that back and to find what price would have been quoted for butter fat to the farmer living inland. To ascertain what the result would have been we will take one week, namely that ending April 15, 1933. The price of No. 1 butter in Montreal ranged from 30½ to 31 cents per pound. For the month of April, 1933, Australian finest quality, which is comparable to Canadian butter, averaged in London 12·46 cents per pound. Allowing for one cent duty that butter could have been laid down for 13·46 cents, or a difference of 17·29 cents per pound less than the price our butter was bringing in Montreal. Applying this to the approximate production of 5,500,000 for one week represents a loss of $950,950. That is the effect of the statement made by the right hon. leader of the opposition. If his statement were put into dollars and cents instead of remaining, as it stands, a more or less theoretical statement, it would have cost the producers of Canada in the one week in April of 1933 which I have mentioned a little short of $1,000,000. That is for butter alone.

The hon. member for South Battleford has raised a point as to the effect of the Ottawa agreement in our bacon and hog industry. As a result of the Ottawa agreements the Canadian farmer received an advantage over the farmers outside the empire. That advantage consisted of the right to ship into the United Kingdom in any one year 280,000,000 pounds of bacon. That means that his bacon would be accepted without duty, and he would be selling on exactly the same terms as would the British farmer. The British government as a result of an extensive campaign investigated thoroughly the whole hog situation of the United Kingdom and decided they would have to take some steps, no matter how drastic, to raise the price of bacon in the United Kingdom to a point where it would be possible for an efficient farmer at least to earn a livelihood. Roughly what they had in mind was raising the price of bacon to eighty-five shillings per hundredweight, and they were dealing with bacon comparable in quality to that produced in Canada—and may I state in passing that the hundredweight is 112 pounds. That was made very clear at the time the Ottawa agreements were discussed in the house. It was known to every intelligent member that that was the intention of the British government. Believing that they would carry out their intention, the result could be only this: the price of hogs in Canada was bound to go up, and to go up at least double what it had been previously. That would have been the case had they carried out their intention of raising the price to eighty-five shillings per hundredweight of 112 pounds.

Hon. members in the house and out of the house, and particularly Liberal members in western Canada, knowing that the price was going to go up, through their speeches, did almost everything in their power either by omission or commission, to discourage the farmers from going into hog raising. As farmers, they knew that at least ten or twelve months would be required before any man beginning to raise hogs would have a product ready for the market. Knowing that, nothing has so much incensed me since I took office as to find that men should, through what must have been purely fanatical, political prejudice, stand in the way of their fellow farmers selling their oats and barley through the marketing of hogs for at least fifty cents a bushel instead of selling them, as they must do otherwise, for twenty-five or twenty-six cents a bushel.

Immediately after the Ottawa agreements were made I visited Toronto, where I had called a meeting of all the provincial ministers of agriculture and the experts from all agricultural colleges and provincial departments of agriculture so that without loss of time we could immediately make available all the information in front of us and send it out to the different parts of Canada so that the farmers could prepare to take the greatest possible advantage of the offer contained in the agreements. I would much rather be in the position I am in, having done that and having worked in season and out of season

since to improve the quality of our bacon and hogs and to encourage the farmers to obtain the right quality, than be in the position of those people who through lack of support are responsible for the farmers in Canada from the east to the west losing the millions of dollars that they are losing now because these people were not frank enough to bury their political prejudices and tell the farmers of the advantage that was being offered them.

To show how serious the United Kingdom has been in the matter of raising the price of their bacon, I will give some of the restrictions that they have placed on the importation of bacon from foreign countries. The first restriction that they placed on the importation of bacon from foreign countries was 15 per cent. That did not have very much effect because Denmark, Sweden and other countries that exported to the United Kingdom, realizing that such action was going to be taken, dumped all their available bacon into the United Kingdom market. That left a great load on that market which had first to be lifted before any effect of the restriction could be felt. The Danes went further. They cut away the poorer parts of their bacon so that they could get entry into the United Kingdom market of a greater quantity of their highest class product.

In November, 1932 the government of the United Kingdom imposed a restriction of 15 per cent against the countries that had been exporting bacon to the United Kingdom market. The successive restrictions were as follows:

Successive restrictions on foreign bacon imports into Great Britain

Date	Additional per cent	Total to date per cent
November 1932 . . .	15	15
February 1933. . .	2½	17½
March 1933. . . .	2½	20
April 1933. . . .	2½	22½
May 1933.	2½	25
June 1933.	2½	27½
July 1933	2½	30
August 1933. . . .	2½	32½
September 1933. . .	10	42½
October 1933 . . .	—	42½
November 1933 . . .	16	58½

That is, one year after they decided to take this action of shutting out bacon from the United Kingdom market to raise the price of bacon, they had put on restrictions amounting to 58½ per cent. At first, because of the large quantity of bacon in England, the effect of the restriction was very slight, but we see that as it has been increased it has reached a point where it is now in a very fine balance, with the result that a week ago there was a very big rise in the price of bacon in the United Kingdom. If anyone has any doubt as to the relationship between the Ottawa agreement and the advance in the price of bacon in this country, all they have to do, and I shall be glad to supply the information, is to look at the restrictions that have been made and the increase in the price that has taken place in the United Kingdom as a result, and the corresponding increase in the price in this country almost step by step, while in other countries like the United States, which have not the advantage of this sheltered market, the price has not gone up to the same extent. In fact, it went down, although recently it has been going up.

I would like, in conclusion, to say this for those who are interested in the hog industry and in agriculture in Canada. We have been able to arrange with the packers throughout Canada during the past year that they will accept an off-type sow from the farmer and give him in exchange a gilt of the desired select bacon type, if one is available. So there is very little excuse for any farmer not having the proper type of breeding stock. To show the result of this policy and the improvement that has taken place in the hog industry I should like to give a few figures, and I quote them for one reason in particular. We so often hear the criticism in the east that we are going to get the western farmer interested in raising hogs, and that he will raise hogs that will be of an inferior type, with the result that it will have a depressing effect on the market, that these hogs will come on our market here and thereby counteract all the effort they have put into the production of a good quality hog. Reports have been sent out descriptive of the hogs in western Canada. I refer to one article by an agricultural writer in the Winnipeg Free Press which has seemed to percolate all through the east and given a very false impression of what is taking place in the west in the quality of our hog production. The write-up is descriptive of a number of carloads of hogs shipped from the west to Montreal, and the statement is made that not half of one per cent of these hogs representative of the west are select bacon and less than ten per cent are bacon. But the actual standing of the quality of our western hogs is shown by these figures which I will put on Hansard:

Percentage of Select and Bacon Hogs in the total marketings

	1930		1933	
	Select bacon	Bacon	Select bacon	Bacon
	per cent		per cent	
Alberta	6·05	21·04	7·93	32·56
Saskatchewan.	5·10	17·07	11·86	32·96
Manitoba . . .	14·40	26·46	17·17	41·35

It will be seen that the percentage of select bacon from Saskatchewan more than doubled in 1933 as compared with 1930, and that Manitoba increased its select bacon and bacons in the same years by 45 per cent. So the eastern farmer has no cause to worry about the quality of hogs that are produced in western Canada. Farmers are taking hold of this hog production in a very serious way and are giving every attention to producing the right quality.

One thing I omitted to mention in connection with wheat. At the country elevator we have taken from the farmer's load of wheat a sample which is put into an envelope on which the farmer writes his own name and the kind of wheat that he thinks he has grown. Our officials have then planted it on experimental farms and other plots of ground that have been available to us, and on a certain field day at which experimental farm officials are present these farmers gather at these plots and see, in comparison with others, the quality of wheat they are seeding and growing. It was found out that in some localities that have produced the greatest quantities of wheat, thirty-five per cent of the wheat sown was not considered of a sufficiently pure strain to make it suitable for seed. Realizing the importance, especially at this time when there is such keen world competition in wheat, of having the highest quality wheat possible —it is no good to tell the farmer that his wheat is not of the right quality and that he must raise a better quality if he has not the money to purchase a higher grade of wheat— we have been successful in arranging with the elevator companies in the west to "special bin" wheat from farms which it is shown by the growing tests produce a purer sample. They are to give bushel for bushel of that wheat for wheat that is not of the same degree of purity. Without costing this government a cent there is being put at the disposal of the farmers without cost a wheat of purer quality. This should improve our western wheat and give us a still greater advantage in the markets of the world.

Mr. VALLANCE: Is that now in effect?

Mr. WEIR (Melfort): It has been in effect since I came east in September.

I regret that I have not taken the time to go into these points more fully. I think hon. members will admit that the statement of the right hon. gentleman that this government has not done a single thing worthy of note or mention to help agriculture leaves them staggered as to the reason for his making that statement. They must realize that he must be completely out of touch with agriculture and knows nothing of the assistance given to that industry by this government. Either that, or he is in such a mood of desperation, as I stated at the outset, that he feels he must damn and condemn everything. He is reported as having stated at Winnipeg that the Cooperative Commonwealth Federation's plans must be viewed with gloom. With the kindliest possible feelings I suggest that the tenor of his speech must have been due to a very gloomy environment. He should try to get about him a more cheerful atmosphere, and to assist him in that I undertake the pleasant task of recommending a subscription to the Prince Albert Herald. I am sure he will admit that this is a Liberal publication, but it paints a different picture from that which he gave the house. With the indulgence of the house I should like to quote from an editorial which appeared in this paper on January 4 of this year. I might mention that Prince Albert is situated in the centre of one of the finest agricultural districts in Canada and is the constituency represented by the right hon. gentleman. The editorial reads:

> Government figures show that Canadian trade within the British Empire and with foreign countries is increasing. It is in much greater volume than was the case of a year ago. This suggests that in the larger sphere of international business the tide is turning in a manner that will mean eventual disappearance of the more intense disabilities of unemployment and commercial stagnation that have been paramount during the last three years.

I shall not read it all, but the concluding sentence reads:

> It is certain, however, that the general outlook has improved materially.

Another editorial dated January 18, 1934, just a week before the right hon. gentleman made his four-hour speech, is entitled Encouraging Factors and reads:

> A year ago farmers were receiving twenty and a half cents a bushel for number two wheat delivered at the elevators here. Yesterday the price for the same grade locally was forty-four and a half cents. In drought areas, where no crop was harvested, this price betterment would not have the significance that it has in this part of the province where a fair crop was harvested last fall.

The concluding paragraph reads:

> The recent improvement in wheat prices, the prospect that this will continue, the fact that farmers in this area are able to take advantage of the price betterments, and lastly, the fact that bank clearings are displaying a buoyancy lacking a year ago, are encouraging signs.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, the amendment submitted to the house reads:

> We respectfully regret that Your Excellency's present advisers have not taken such

steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living.

This amendment is proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and seconded by the hon. member for Acadia (Mr. Gardiner). If the Cooperative Commonwealth Federation had always had such sentiments, I would have agreed with them all along. I am in full accord with what they say in this amendment.

The Minister of Agriculture (Mr. Weir) has just completed an attack upon my revered and respected leader. There is a difference between us on this side of the house and hon. gentlemen on the other. We respect and revere our leader but we do not worship him. He is not a superman; he is human, and that is why we like him. Being a human being, he may make mistakes at times. But the electors of Mackenzie, to whom the Minister of Agriculture spoke several times, said that my leader was right when they elected his candidate by a substantial majority. I am sorry to see the Prime Minister (Mr. Bennett) leaving the chamber, as I shall have something to say about him later on. Tell a page to tell him that I intend to speak about him. The electorate of this country have decided that my leader is worthy of the confidence of the people. The electors of Mackenzie did not believe what was said by the Minister of Agriculture but they endorsed fully the stand taken by the opposition. The same thing happened in Restigouche-Madawaska. The Minister of Finance (Mr. Rhodes) spoke there. We spoke also and I am glad that the electors in that constituency believed what was said by the members of the opposition, led by our right hon. leader. They believed in them.

Mr. SMITH (Victoria-Carleton): No.

Mr. POULIOT: The hon. member for Victoria-Carleton (Mr. Smith) should keep quiet, as Restigouche-Madawaska is next to his constituency. He should take a good look at the ceiling of the chamber for he will never see it again after the next elections. The same thing happened in Yamaska. The Minister of Marine (Mr. Duranleau) went there but the people did not believe in him. The electors of Restigouche-Madawaska did not believe what was said by my hon. friend the Solicitor General (Mr. Dupré). The Postmaster General (Mr. Sauvé) was there also but the government has since shipped him to Cairo. The hon. member for Quebec East (Mr. Lapointe) spoke in that constituency, the hon. member for Bellechasse (Mr. Boulanger) was there also; we were all glad to give our support to the hon. member who was elected in that constituency. He is an asset to this house, as is the hon. member for Mackenzie (Mr. MacMillan). Their election shows the popular confidence in the opposition. Our stand in the west is the same as our stand in the east; we tell the truth to the people.

Mr. SMITH (Victoria-Carleton): Oh, oh.

Mr. POULIOT: The hon. member should behave when I refer to the judgment passed upon the policies of this government by a neighbouring constituency. The reason for the laughter of the hon. gentleman is his gross ignorance. He knows nothing and that is why he laughs.

Mr. SPEAKER: Order.

Mr. SMITH (Victoria-Carleton): Oh, oh.

Mr. SPEAKER: The hon. member has no right to use such language when referring to another member. He should not allege ignorance on the part of an hon. member, and I ask him to withdraw his remarks.

Mr. POULIOT: For the words "gross ignorance" I will substitute the words "encyclopaedia of general knowledge."

It seems to be forgotten by this government that the trade between Great Britain and the dominions is only nine per cent of the world trade, and when this government, or the Prime Minister alone, raised the tariff at the first special session in 1930, a wall was erected around this country—a wall which has proved a great obstacle to trade. From that time matters got increasingly worse until finally the right hon. gentleman realized that countries are like individuals, that no country is self-sufficient. Then he called the Ottawa conference. It is a mistake, sir, to take an isolated—

An hon. MEMBER: Oh, oh.

Mr. POULIOT: If there is a doctor in the house I would ask him to assist the member for Victoria-Carleton; he is groaning. Let us take an isolated item like a case of canned salmon or lobster, for instance. Suppose a merchant has not sold anything for weeks, and has no revenue coming in; the moment he sells a case of canned salmon or lobster, or for that matter anything else, if it is only a dollar, he says he has a favourable balance of trade. We should not take all the items separately; rather, we should take them as a

whole. Let us take the items that relate to the basic products and basic industries, from the standpoint of exports and imports, and from the standpoint of home consumption. Canada, so far as trade is concerned, can be compared to a departmental store, with two thousand departments, in which the Prime Minister is floorwalker from the Atlantic to the Pacific. Now, in order to ascertain whether the business of a store is good we have to take the purchases and sales in each department and then add them all together. Then we look at the general result.

An hon. MEMBER: Oh, oh.

Mr. POULIOT: I will not do that for the two thousand departments of the store of which the Prime Minister is floorwalker—he suffers from travelitis—but I will take one by one the items which the right hon. gentleman disclosed in summaries in his famous speech on October 12, 1932.

Before I go on to that however perhaps I might say one word in reply to the argument put forward by the Minister of Agriculture (Mr. Weir, Melfort). He said that our markets were closed before the Liberal party left office, and that his party found closed markets when they assumed power. Well, I will make my comparison between the year 1930, during half of which the Liberal party was in office, the Conservative party being in office the rest of the time, and 1933. And here let me quote once more the opinion of a gentleman who is no child in the Conservative party—the right hon. the leader of the Senate. On April 8, 1926, that right hon. gentleman made the following statement, as reported in Hansard of that year, page 2253:

Mr. Ross (Moose Jaw): You contend that if the tariff is taken off the prices immediately rise?

Mr. Meighen: We contend it and we know it, because we see the facts.

This was what a former leader of the Conservative party said in the House of Commons in 1926, and he had the support of other gentlemen. I might mention the present Minister of Railways (Mr. Manion):

Mr. Manion: . . . If you take off the tariff you raise the prices of goods.

The tariff was raised unduly by the Prime Minister and his government, regardless of the question of prices. Mr. Meighen himself, and the Minister of Railways—he was not a minister then, and probably could speak more freely—said that if you take off the tariff you raise the prices of goods. The reverse is also true: If you increase the tariff you lower the prices of goods.

Now let us consider textiles, comparing exports in 1933 with those of 1930. In 1933 more manufactured cotton to the extent of $275,000, was exported. There was an increase of $1,280,000 in the export of raw wool and there was a total loss of $345,952 in the export of manufactured woollens. There was a loss of $622 in the export of raw flax and hemp, and a total loss of $9,920 in the export of manufactured flax and hemp, while there was a net increase of $1,199,313. The Minister of Agriculture spoke about wool. What was the external trade in woollen yarns? In 1930 it was $6,916,000, and in 1932, $6,800,000, or a decrease of $116,000. There was a decrease in the export of woollen yarns, the only increase being in the export of woollen cloth, but it did not help the farmer directly. In 1930 the figure of production was $10,313,788, and in 1932 it was $9,090,819, or a loss of $1,222,969 in 1932. Then let us take some other commodities:

Tobacco

1933 exports compared with 1930

Total increase, $2,413,375.

Increase in home consumption in 1932-33 over 1930-31, 2,217,477 pounds.

Total value of tobacco production

1930	$25,812,079
1932	24,170,907
Decrease	$ 1,641,172

Quantity of production

	Pounds
1930	24,306,703
1932	23,859,504
Decrease	447,199

Mr. GOTT: Will the hon. member permit a question?

Mr. POULIOT: After I am through.

Mr. GOTT: I merely want to ask—

Mr. SPEAKER: If the hon. member who has the floor does not choose to allow the question, it may not be asked.

Mr. POULIOT:

Canned Pears

1933 exports compared with 1930

Increase, $243,409.

Production

	Cases
1930	299,800
1932	378,341
Increase	78,541

Value

1930	$1,049,904
1932	974,575
Decrease	$ 75,329

Apples

1933 exports compared with 1930

(a) Fresh apples—

To British Empire	$2,898,345 more
Foreign countries	847,851 less
Increase	$2,050,494

Decrease in home consumption in 1932-33 compared with 1931-32, 1,209,934 barrels.

We exported fresh apples to the extent of a little more than $2,000,000 more than in 1930, but on the other hand the Canadian people consumed 1,209,000 barrels less. What is the benefit of that? What is the use of the Ottawa agreements in regard to fresh apples if we eat so much less than we did before, although we export more than we did before?

(b) Dried apples—

To British Empire	$ 39,796 more
Foreign countries	186,878 less
Total loss	$ 147,082
Production 1930	2,836,175 lbs.
Production 1932	2,627,343 lbs.
Decrease	208,832 lbs.
Value 1930	$ 247,142
Value 1932	171,974
Decrease	$ 75,168

(c) Canned apples—

No information about exports except from April 1, 1933.

Production 1930	19,097 cases
Production 1932	257,576 cases
Increase	238,479 cases
Value 1930	$ 40,833
Value 1932	530,363
Increase	$ 489,530

Needless to say I pay my compliments to whomsoever they are due for those increases.

Honey

To British Empire	$ 119,215 more
Foreign countries	7,952 less
Increase	$ 111,263

Home consumption of 1932-33 compared with 1930-31:

Decrease 9,535,689 lbs.

What is the benefit of exporting $111,000 worth more, if the home consumption is 9,535,000 pounds less?

Pickles and sauces

1933 exports compared with 1930

To British Empire	$ 212,698 more
Foreign countries	8,467 more
Increase	$ 221,165

Ketchup and sauces

Production	Gal.
1930	2,420,311
1932	1,580,361
Decrease	839,950

Value	Gal.
1930	$ 4,208,782
1932	2,791,029
Decrease	$ 1,417,753

As to bacon and hams, I refer the house to Hansard of Tuesday last. I will just say that in 1932 there was an increase in production of 15,000,000 pounds over 1930 and a decrease in value of $7,901,000; and the price of bacon and ham per hundredweight in 1930 was $24, and in 1933, $11.

Eggs in shell

1933 exports compared with 1930

Increase $ 352,507

Average price of eggs per dozen 1930, 37 cts; 1933, 21 cts.

Decrease in home consumption in year 1932-33 compared with 1930-31, 45,959,763 dozen.

With regard to cattle, there was an increase in exports of $271,000.

Dressed beef

1933 exports compared with 1930

(a) Quantity in cwts.—

Increase 17,012 cwts.

(b) Value—

Decrease $ 672,534

Average price per cwt, 1930, $15.70; 1933, $5.83.

Decrease in home consumption in year 1932-33 compared with 1930-31, 89,161,967 pounds.

As to sheep, lambs and mutton I refer the house to Hansard of Tuesday, but I am very sorry the Minister of Agriculture has reduced his staff of men who look after the raising of sheep and hogs. He tells the farmers: "You should have better products," but he takes away the assistance. I made a complaint about that and wrote to the minister on behalf of the agricultural societies of my constituency, and a long time after I received an answer from his secretary saying that he would look into the matter. But these men have never been reinstated, and they are necessary if the farmers are to have good stock.

As to leather I refer to Hansard of last Tuesday, and the same as to dairy products.

Coming to tomatoes, the exports of canned tomatoes in 1933 show an increase over 1930 of $274,017, but the production in 1930 amounted to 3,389,549 cases, while in 1932 it amounted to only 1,483,266 cases, a decrease of 1,906,283 cases. In 1930 the total value was $7,369,790, while in 1932 it was only $2,588,695,

a decrease of $4,781,095. Would it not be better to maintain that value of $7,369,790 than have an export surplus valued at $274,017?

Now we come to grain. On October 12, 1932, at pages 132, 134 and 135 of Hansard, the Prime Minister spoke of grain. He said:

Canada's production of barley could be tremendously increased through the breaking of new land and the substitution of barley for other grains on presently cultivated land. It is essential that Canada widen her market for this product. The 10 per cent preference which is secured to us will assist in improving Canada's competitive position in the United Kingdom market.

And again:

You are all aware that our flour industry has suffered a serious decline, due to tariff walls erected against us by foreign countries, import restrictions and the like. This gives the preference an especial relative value which is already reacting to the benefit of the Canadian wheat producers. Not only does the increase in the sale of Canadian flour widen the Canadian wheat market, but Canadian flour is most important in promoting the direct sale of Canadian wheat. Our secured place in the British flour market means that British domestic millers can only compete with the Canadian flour if they use Canadian wheat standards.

And again:

. . . The preference, it is agreed, will substantially increase the purchase of Canadian wheat by British importers. When this, the greatest of all the markets is secured, the problem of finding markets in other countries for the balance of our exportable surplus is proportionately lessened. When we have secured world markets sufficient to absorb our exportable surplus, our wheat in world markets will as a result enjoy a price which is more in keeping with the cost of production and the standards of living of our farmers in this country. Furthermore, it should be borne in mind that a preferential position in this market will be of immense advantage to Canada in maintaining our great wheat growing areas while world sources of supply are being compelled to adjust their acreage to market requirements.

He was not then in favour of reducing acreage. The value of wheat flour decreased by $41,332,592 in 1932 as compared with 1930

I come now to timber products. Unmanufactured wood decreased by $171,000,000 in 1932 as compared with 1930; pulp decreased by $57,943,419; paper products decreased by $71,751,802, or a total decrease of $300,837,758. Vegetable oils showed an increase in production of 9,257,179 pounds, but the increase in value amounted to only $149,807. The production showed a decrease of 1,678,343 gallons, or of $3,310,329; therefore the total loss amounted to $3,160,522.

I come now to chemicals. The value of production decreased in 1932 by $24,690,261, while minerals and minerals products decreased by $81,361,798. The following table shows how the production of minerals has fallen off in the last few years:

Value of Production of Minerals, Mineral Products and Chemicals in Canada—1930, 1931 and 1932

	1930	1931	1932
Value of metal production including gold; and value of non-ferrous metal products.. ..	$307,427,010	$244,935,479 (Decrease $108,691,098)	$198,735,912
Value of non-metallic minerals and structural materials production; and value of non-metallic mineral products, except glass.. ..	307,710,915	252,662,979 (Decrease $104,151,757)	203,559,158
Value of glass production, including the production of pressed and blown glass and the bevelling, cutting, etc., of plate glass.. ..	12,191,752	9,937,411 (Decrease $3,721,857)	8,469,895
Value of chemical production..	119,969,637	105,501,905 (Decrease $24,690,261)	95,279,376
Value of iron and steel and their products.. ..	569,745,973	374,725,068 (Decrease $343,540,432)	226,205,543
		(Total decrease $584,795,205)	

Sir, those are the figures. I am sorry I have not the grand total, but anyone who is interested can add them together.

On the day the world's grain congress opened in Regina, I was listening to the speeches as they came over the radio; I listened to many gentlemen, including the Minister of Agriculture. As I was listening I was preparing a lecture on the C.C.F.; perhaps I was hoping for inspiration from the speeches. What happened? One of those settlers who was put on the land under the Gordon scheme came to my door from one of the new parishes in my constituency. They were praising the farmers in the west; he was a farmer in the east, and he said, "Sir, will you kindly give me something to eat? I came here on foot. I am very poor; I need

public assistance, and I would ask you to give me a certificate to the chief of police in order that I may be permitted to beg in the city." Representatives of all the people of the world were united in the great city of Regina, praising the work of the Canadian farmers, while one of them came to ask for a certificate to the chief of police in order that he might be permitted to beg in the city of Riviere du Loup.

Sir, my only word is this: The private members of this house are in close touch with the people. We meet the people; we see them. I know hon. gentlemen opposite are in the same position; they meet their electors and learn their troubles. I regret, however, that most of the members of the government meet no people except those seeking jobs, who are afraid to tell the truth for fear they will not get their jobs. They praise the government; they say everything is fine, and this is why members of the government have no real information as to the trouble that exists, not only among the farmers but among the miners and other classes. This is why I ask my hon. friends who are here—the Solicitor General, the Minister of Finance and any other ministers who are hiding behind the curtain—to tell the Prime Minister that it is time for him to realize that it is foolish to listen to the false praise that is showered upon him. He must be intelligent enough to understand that truth never comes from the mouths of flatterers. I will answer him by a word from the bible, that the wounds of those we love are much better than the kisses of those who hate us.

Mr. J. A. BARRETTE (Berthier-Maskinongé) (Translation): Mr. Speaker, after listening to the speech of the hon. member for Témiscouata (Mr. Pouliot) I really wonder whether all his speeches are intended to enlighten the people or the house. I rather think he is the organizer of a certain group who wish to obstruct legislation.

Mr. CASGRAIN (Translation): We do not obstruct legislation, we simply avail ourselves of our rights.

Mr. BARRETTE (Translation): Among the speeches to which I listened with much interest, I may specially mention that of the hon. member for Beauce (Mr. Lacroix). The latter endeavoured to draw up the country's balance-sheet; however, he forgot to mention our assets in relation to our liabilities; I think he should have displayed the same interest as if it had been his own budget. He is a highly thought of man, who seems to have a certain grasp of figures and when he prepares his own balance-sheet, I feel sure that he does not forget to include his assets. The hon. member contends that our liabilities amount to $6,751,596,000 which represent $651.33 per capita—men, women and children. He compares this indebtedness with that of the United States which he states amounts to $42,223,249,000, representing $335.10 per capita. When he quoted these figures, I asked him what were the assets of our country, the hon. member did not answer. I wish to point out to him that Canada's total assets amount to more than $30,000,000,000, which represent $3,000 per capita—men, women and children. If you deduct the amount of the indebtedness $651 per capita, you find that the individual wealth amounts to $2,349 per capita.

In the United States the total debt amounts to $42,223,249,000 or $335.10 per capita; their total assets to $247,000,000,000 representing an amount of $1,981, per capita. If one deducts from this amount the $335, one arrives at an individual asset of $1,646. A citizen of the United States, therefore is worth $1,646 while in Canada, $2,349. There is no reason, therefore to feel despondent.

Mr. CASGRAIN (Translation): If you tell this to the farmers, they will not take your word for it.

Mr. MERCIER (St. Henri) (Translation): Nevertheless, they took his word in the past.

Mr. BARRETTE (Translation): In 1867, the value of the national wealth was not more than $1,000,000,000, and we have increased it to $30,000,000,000, in 1932.

Mr. MERCIER (St. Henri) (Translation): That is a huge sum?

Mr. BARRETTE (Translation): Our national revenue which was less than $500,000,000, increased to $5,000,000,000, yearly. I think that these figures are very interesting. Have hon. gentlemen any knowledge what was the amount of deposits in our banks, a century ago?

Mr. MERCIER (St. Henri) (Translation): Fifty cents.

Mr. BARRETTE (Translation): Not a cent. Have you any knowledge what the deposits in our banks amount to, at present?

Mr. MERCIER (St. Henri): (Translation): $3,000,000.

Mr. BARRETTE (Translation): $2,000,000,000; and three quarters of the bonds of our national liabilities are held by Canadians.

Mr. MERCIER (St. Henri) (Translation): Many are held in New York!

Mr. SPEAKER: Order!

Mr. BARRETTE (Translation): It gave me much pleasure to hear the right hon. Prime Minister state that public works would be carried out to relieve the unemployment. Among the foremost of these undertakings, I would place those in connection with the University of Montreal. Rather than adopt the dole system, without ever having any beneficial results, I wonder if it would not be possible to finish the construction of the University of Montreal and thus find work for the unemployed.

Mr. MERCIER (St. Henri) (Translation): And remove it to Berthier?

Mr. BARRETTE (Translation): I shall have an opportunity to refer to this matter in the near future.

The President of the United States, Mr. Roosevelt, has just recommended to Congress the expenditure of $225,000,000 to implement the St. Lawrence Waterway agreement and this money will be mostly expended in Canada.

Mr. MERCIER (St. Henri) (Translation): Are you in favour of such a project?

Mr. BARRETTE (Translation): Does the Washington government, in making such a considerable outlay expect immediate returns? No. In asking such a large amount, Mr. Roosevelt has in mind the future welfare of his country.

Mr. MERCIER (St. Henri) (Translation): And swallowing Canada.

Mr. SPEAKER (Text): Hon. members should not be interjecting remarks in this way. If they do not agree with the hon. member who is speaking they will have an opportunity to speak for themselves. If they are going to remain in this chamber they must comply with the rules.

Mr. BARRETTE (Translation): The St Lawrence waterway will entail an expenditure of $225,000,000, to the United States, $75,000,000 of which will be expended in Canada; yet, this enormous amount to a great extent expended in a foreign land, will in no way directly increase the revenues of the United States. The President, however, states that the United States people will benefit indirectly to the extent perhaps of $70,000,000 yearly.

Among the speeches to which I listened in the house, I greatly appreciate that of the hon. member for Stanstead (Mr. Hackett). He stated the back-to-the-land movement must be encouraged so as to relieve unemployment. I look upon the scheme as an excellent one, providing that some discretion is shown in choosing workmen in cities. We must, first, begin by keeping on the land those who are already there, and make life so attractive that they will have no desire to live in cities.

Such a scheme has been, I think, advocated in Montreal and in all large centres by both Liberals and Conservatives, and no doubt will have beneficial results, if we can agree in carrying it out while at the same time safeguarding the interests of the nation. I also listened to the speech of the hon. member for Quebec East (Mr. Lapointe) who is a legal light, a highly gifted gentleman; however does not his speech somewhat breathe pessimism? That we should immediately appeal to the people to find out what they think of our administration! I trust that before long we shall have the privilege of being judged by them. Personally, I am ready to go immediately before the people. I trust the shock will not be too severe to our friends. We shall fully explain our situation, and I have no doubt that our constituents will realize that we have performed our duty and fulfilled all the pledges given to them in 1930.

We are criticized in the house, but tour the country and you will come across Liberals, manufacturers, traders, financiers and prominent bankers who approve of the attitude and administration of the right hon. Prime Minister (Mr. Bennett) who presides over the destinies of this country.

If the opposition is deeply interested in putting an end to the crisis and helping out the country, why so much obstruction, why criticize and prevent us from adopting the address? I admire the gifted member for Témiscouata (Mr. Pouliot). He is an excellent lawyer, a good sport, but he likes publicity. That is why he often speaks in the house. I think he has delivered three speeches on the address. What will come of it? His constituents will decide the question at the next election; they may, perhaps, say to him: You have cost the country too much through your obstructive methods! Will he have enhanced himself in the eyes of his constituents, his country? I do not think so.

Mr. Speaker, I only intended to make a few brief remarks in order to establish the facts in connection with the figures quoted by the hon. member for Beauce (Mr. Lacroix). I

wanted especially to point out that he had neglected informing the house as to the assets of this country.

I consider that with our Prime Minister at the helm of the country's affairs, there is reason to hope for better days, because he has succeeded in weathering the crisis and before long we shall witness a prosperity without parallel in this country.

The house divided on the amendment (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Beaubien
Bertrand
Blair
Bothwell
Boulanger
Butcher
Casgrain
Coote
Denis
Desrochers
Dubois
Dumaine
Fafard
Fiset, Sir Eugène
Gardiner
Garland (Bow River)
Gershaw
Golding
Hanson (Skeena)
Heaps
Hurtubise
Kennedy (Peace River)
King, Mackenzie
Lacroix
Lucas
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
Macphail, Miss
McIntosh
McKenzie (Assiniboia)
McPhee
Mercier (St. Henri)
Mitchell
Motherwell
Munn
Neill
Parent
Perras
Ralston
Reid
Rhéaume
Roberge
Rutherford
St-Père
Sanderson
Spencer
Stewart (Edmonton West)
Taylor
Thauvette
Totzke
Weir (Macdonald)
Woodsworth—54.

NAYS

Messrs:

Anderson (Toronto-High Park)
Arsenault
Arthurs
Baker
Barber
Baribeau
Barrette
Belec
Bell (Hamilton West)
Bell (St. John-Albert)
Bennett
Bourgeois
Bowen
Bowman
Boyes
Burns
Bury
Carmichael
Chaplin
Charters
Cotnam
Cowan (Long Lake)
Davies
Dickie
Duguay
Duranleau
Edwards
Embury
Ernst
Fortin
Fraser (Cariboo)
Gagnon
Gobeil
Gordon
Gott
Hackett
Hay
Kennedy (Winnipeg South Centre)
Larue
Loucks
MacLaren
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
McLure
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Morand
Murphy
Myers
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Porteous
Price
Quinn
Rhodes
Robinson
Ross
Rowe
Ryerson
Senn
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smoke
Spankie
Spotton
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Swanston
Tummon
Turnbull
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Wright—89.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Halton)
Beaubier
Bell (St. Antoine)
Beynon
Black (Halifax)
Cahan
Cantley
Casselman
Cowan (Port Arthur)
Dorion
Dupré
Esling
Ganong
Garland (Carleton)
Geary
Guthrie
Hanson (York-Sunbury)
Harris
Johnstone
Jones
Laflèche
Laurin
Lawson
Lennox
MacDonald (Cape Breton)
MacDonald (Kings)
McDougall
McDade
McGibbon
Maloney
Mullins
Nicholson
Perley, Sir George
Pettit
Rogers
Sauvé
Short
Factor
Fournier
Raymond
Euler
Dubuc
Rinfret
Cardin
Howard
Ilsley
Verville
Ferland
Hanbury
Michaud
Goulet
Mercier (Laurier-Outremont)
Lapointe
Veniot
Jacobs
Donnelly
MacLean
Girouard
Fontaine
Gray
Pouliot
Urquhart
Ahearn
Irvine
Dupuis
Power
Young
Howden
Bradette
Marcil
Bouchard
Elliott
Séguin
Heenan

Smith (Cumberland)	Duff
Spence	Fraser (Northumberland)
Stevens	Malcolm
Sullivan	Brasset
Tétreault	Deslauriers
Thompson (Simcoe)	Jean
Thompson (Lanark)	Chevrier
Wilson	Vallance
Willis	Brown.

Mr. SEGUIN (Translation): I was paired with the hon. Postmaster-General (Mr. Sauvé). Had I voted, I would have voted for the amendment.

Mr. VERVILLE (Translation): I was paired with the hon. member for Quebec-Montmorency (Mr. Dorion). Had I voted, I would have voted for the amendment.

Mr. RAYMOND (Translation): I was paired with the hon. member for St. Antoine (Mr. Bell). Had I voted, I would have voted for the amendment.

Mr. FONTAINE (Translation): I was paired with the hon. member for Jacques Cartier (Mr. Laurin). Had I voted, I would have voted for the amendment.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted, I would have voted against the amendment.

Mr. DUPUIS (Translation): I was paired with the hon. member for Northumberland (N.B.) (Mr. McDade). Had I voted, I would have voted for the amendment.

Mr. BRADETTE (Translation): I was paired with the hon. member for Algoma East (Mr. Nicholson). Had I voted, I would have voted for the amendment.

Mr. DONNELLY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. Johnstone). Had I voted, I would have voted for the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted, I would have voted against the amendment.

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted, I would have voted for the amendment.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted, I would have voted against the amendment.

Mr. DUPRE: I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted against the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted against the amendment.

Mr. HANBURY I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted, I would have voted for the amendment.

Mr. IRVINE: I was paired with the hon. member for Inverness (Mr. MacDougall). Had I voted, I would have voted for the amendment.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted, I would have voted for the amendment.

Mr. FACTOR: I was paired with the hon. member for Halton (Mr. Anderson). Had I voted, I would have voted for the amendment.

(Owing to the impossibility of recording several statements of pairs simultaneously announced, the list of stated pairs is incomplete).

Main motion (Mr. Gobeil) agreed to.

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

That the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the Privy Council.

Motion agreed to.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, February 16, 1934

The house met at three o'clock.

OFFICIAL REPORT OF DEBATES

RIGHT OF MEMBER TO REVISE REMARKS

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it becomes my unfortunate duty to deal with a matter affecting the privileges of the house. My attention was directed to the fact that during the course of a speech in the house the night before last the hon. member for Temiscouata (Mr. Pouliot) said:

I am not in favour of an election this year.

That remark does not appear in Hansard, and it now transpires that the words were taken down by the Hansard reporter and struck out of the report by the hon. gentleman. I hold the original manuscript in my

hand. Though as much care as can be exercised is taken in connection with these matters I think it well to direct attention to the fact that the privileges extended to members do not permit of the elimination from their remarks of statements of this kind.

Mr. BOURASSA: I quite agree with the Prime Minister, Mr. Speaker, but I could quote an instance where one of his ministers struck out a passage from one of his speeches last year which made it appear exactly opposite to what he had said. Since then, however, he has taken a flight to Egypt.

Mr. BROWN: I have had occasion before this to believe that members have struck out portions of their speeches. We shall have to be more watchful in future.

Mr. BENNETT: I believe the rule has been that grammatical errors and defects of that sort are corrected. In one case I made some inquiries when it was brought to my attention that substantial changes had been made in a speech; the matter was brought to the attention of the house, and the Hansard authorities were advised that it was not competent for anyone to change the sense of a speech. There may be errors in transcription or there may be errors made in taking down the remarks of the speaker because of noise in the chamber. Those are matters with which members may be expected to deal quite properly. I recall in my own case that on one occasion there was a noise in the chamber and Hansard sent for me saying that because of the noise they had not been able to take down what had been said, and wanting to know if I could assist them. I gave them my notes, such as they were—they were not very helpful—and I am bound to say that the report was not entirely intelligent. In this case, however, the words were heard and transcribed, but they have been struck out by the hon. gentleman who used them. It becomes somewhat important for the reason that a few moments previously the former Minister of Justice (Mr. Lapointe) had been speaking of the necessity for an early appeal to the country. Then one of the distinguished members opposite, who frequently speaks for the Liberal party, said he was not in favour of an election this year, and though Hansard took down these words they were struck out by the hon. member.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I think I heard the remark that was made by the hon. member for Temiscouata. I do not know how much of the text he removed, but the remark about not being in favour of an election this year was associated with a further remark, provided that the present leader of the government was not retained as leader. If the hon. member for Temiscouata struck that out he evidently felt that he did not wish to reflect upon the present Prime Minister.

Mr. BENNETT: No, he left that in. The very courteous observation made by the right hon. gentleman makes it possible for me to read the whole sentence as it was taken down by the reporter and transcribed into typewriting. It was as follows:

> I am not in favour of an election this year; we can wait another year, provided that the Conservative party and the government select another leader to devise new measures and carry on for another year.

What appears, as amended in the handwriting of the hon. member, is this: first, there is the deletion of the words "I am not in favour of an election this year." Then the following words appear:

> We might wait another year for an election —provided that the Conservative party and the government select another leader—and try the administration for a year longer under that new leadership.

The last twelve words are in the handwriting of the hon. member, so he did not remove that portion of his observations.

Mr. POULIOT: I am glad the right hon. gentleman has taken notice of that fact.

CIVIL SERVICE

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO ADMINISTRATION AND OPERATION OF CIVIL SERVICE ACT

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

> That a select special committee of this house be appointed, to consist of seven members, to be hereinafter named, to inquire into and report upon the administration and operation of the Civil Service Act as amended, with instructions to inquire into and report concerning the repeal or amendment of any of the provisions of the said act or the substitution therefor or addition thereto of other provisions, as the committee may deem advisable, with power to send for persons, papers and records, and to examine witnesses, and to report from time to time to this house.

He said: In moving this motion I believe I should say that it is moved in consequence of the recommendation of the select special committee which was set up a couple of years ago. At that time it was suggested that at each session there should be set up a select special committee to deal with any problems which might arise in connection with the Civil

Service Act, its operation, and administration. In furtherance of that suggestion, this motion is made. I know of no reason other than that as to why the motion should be made at the present time, but I now move the motion in consequence of that representation.

Mr. STEWART (Edmonton): May I ask the Prime Minister if that statement applies to the committee on radio broadcasting?

Mr. BENNETT: No, this is in connection with the Civil Service Act.

Mr. VENIOT: Does the Prime Minister know of any problems which have arisen since last session or since the report of the last committee was presented which would necessitate the appointment this session of a committee?

Mr. BENNETT: I know of no specific matters of great import, except that there are always numbers who are not selected for positions to which they think they should be appointed.

Mr. VENIOT: But that is not a matter of investigation.

Mr. BENNETT: That is a matter of course, and is not peculiar. The motion has no significance except, as I say, it is in pursuance of the understanding arrived at that such committee would be set up so that hon. members of the house, if they have representations to make in connection with the administration of the act, may have an opportunity to do so.

Mr. MACKENZIE KING: Is it the intention of the government to refer to this committee Bill No. 4 now before the house, the one which was introduced by the Secretary of State (Mr. Cahan) respecting the Bureau for Translations?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: It is the intention of the government to refer that bill to the committee now being proposed?

Mr. BENNETT: Yes.

Mr. McINTOSH: May I ask the Prime Minister why it is necessary to appoint a special committee to deal with a matter of this kind? I have in mind a recommendation about which the right hon. gentleman has just spoken, a recommendation that was made to the house a few years ago by a special committee appointed to deal with civil service matters. We have a standing committee of the house on industrial and international relations. Why should this question not be referred to that committee? A few years ago it dealt with problems pertaining to the organization of a national civil service council and upon that occasion reported to the house and had its report endorsed.

Mr. BENNETT: The answer is that our civil service is national, and not international.

Mr. McINTOSH: That is not an answer at all.

Motion agreed to.

RADIO BROADCASTING

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO OPERATIONS OF RADIO COMMISSION

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

That a select special committee of seven members of the house, to be hereinafter named, be appointed, to inquire into and report upon the operations of the commission under the Canadian Radio Broadcasting Act, 1932, as amended at the last session of parliament, to advise and recommend what, if any, changes should be effected in the existing system of radio broadcasting, and whether the said statutes should be amended, in whole or in part, and what, if any, additions should be made thereto, the said committee to have power to send for persons, papers and records, and to examine witnesses, and to report from time to time to this house.

He said: Mr. Speaker, in moving this motion I would ask unanimous consent of the house to change the word "seven" to the word "nine." There were nine members on the committee last year, and it was thought that that number of members was desirable because of the interest of every province in the matter. However, by mistake, the word "seven" appears instead of the word "nine." With the consent of the house and without moving a formal amendment may we make the substitution?

Then, may I add that this committee is the one which it was promised would be set up, in view of the fact that the statute passed last session amending the Canadian Radio Broadcasting Act of 1932 is valid only until April first next, at which time it expires. In view of the very evident manifestation of desire on the part of the house shown at the last session, that an opportunity should be offered to discuss the problems incident to broadcasting, and without injuring the institution itself by attacks, counter attacks and defences such as arose in discussion last year, this motion is made. In other words, this committee would afford an opportunity for hon. members to present their views, so that a report might be made to the house. In that

way there would not be involved a discussion which would destroy the very body which we have desired to preserve.

Mr. SPEAKER: With the consent of the house that the number be changed from "seven" to "nine," shall the motion carry?

Motion agreed to.

UNEMPLOYMENT RELIEF

PROVISION OF MEDICAL SERVICE FOR SINGLE MEN IN CAMPS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, before the orders of the day are called, I should like to address a question to the government. I believe I would be acting properly if in this connection I addressed the Minister of National Defence (Mr. Sutherland). I have had a number of letters from some of the single men in camps in the province of British Columbia which come under the control of the Department of National Defence. Their complaint is that they have inadequate medical service in those camps, and also that the men in camp do not come under the Workmen's Compensation Act. If I am addressing the proper authority, I should like to ask the Minister of National Defence, if there is any reason why the men in these camps do not come under the Workmen's Compensation Act of that province.

Hon. D. M. SUTHERLAND (Minister of National Defence): Mr. Speaker, the gentleman has asked two questions. His first is as to whether or not the medical attention given the men in camps is or is not ample. I believe that it is ample, and I have heard no complaints with regard to it. If the hon. member has any particular case in mind I should be very happy to have inquiries made concerning it.

As to the question concerning men coming under the Workmen's Compensation Act, may I answer that I do not think arrangements could be made for that. Again I must say that I have not heard of any instance where a man has been seriously injured in which the matter of compensation would arise.

PETITION

On the orders of the day:

Mr. F. W. PERRAS (Wright) (Translation): I beg to lay on the table of the house a petition from the citizens of the township of Bouchette, Wright county, protesting against an excise tax of 20 cents per pound on leaf tobacco.

[Mr. Bennett.]

CANADIAN NATIONAL RAILWAYS

INQUIRY CONCERNING ANNUAL REPORT AND APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, may I ask the Minister of Railways (Mr. Manion) when we may expect the report of the Canadian National Railways, and whether or not it is the intention of the government to appoint the usual committee to deal with that report?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, as to the first question, concerning the report, may I say that I have not asked but I shall inquire and inform my hon. friend in a day or two. The Duff commission recommended against the bringing of the officers of the railway before that special committee but at the same time recommended that the committee might be set up and the trustees brought before it, but in view of the fact that the trustees only began their duties on January 1 of this year it was the thought of the government that it perhaps might not be advantageous to have that special committee at all this year. However, we are in the hands of the house. My own opinion, however, is that there would be nothing to be gained by having that special committee for the reasons I have given. If my hon. friend or other hon. members have different opinions we shall be very glad to hear them.

Mr. EULER: Will the report be referred to some other committee to be dealt with?

Mr. MANION: I had not given that any thought, but when I give an answer in a day or two I can mention that at the same time.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Might I point out that there is no other way in which hon. members of this house can receive authentic information with regard to the operations of the national railway except through a committee at which either the trustees or the officers of the railway will appear. We are unable to get any information in answer to questions of the ministry and it would be a great mistake to have the session go by without hon. members having the opportunity which the special committee affords of getting information.

Mr. MANION: We will take into account the remarks of the right hon. gentleman, which certainly deserve consideration, before

we make any decision. In view of what he says perhaps the committee should be set up. I have no objections. The only thought I had in mind was that the trustees have been so recently appointed that they would not be in a position to give us any information themselves, and of course it was against the recommendation of the Duff commission that the officers should be brought before the committee.

Mr. MACKENZIE KING: The trustees will be able to get the information from their officers I should not think that the intention of the Duff commission in recommending that the trustees were to appear but not the officers, meant that the house should not get all the information it requires.

Mr. MANION: The trustees have not been there long enough to be familiar with the situation.

Mr. MACKENZIE KING: They have their officers.

EMPLOYMENT AT CHURCHILL

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Railways (Mr. Manion). It is directly connected with possible port development at Churchill this summer. Many unemployed men in northern Saskatchewan are anxious to obtain work at Churchill. Can the minister make a statement that will clarify the situation regarding employment at Churchill during the next few months?

Hon. R. J. MANION (Minister of Railways): I will deal with that matter when the estimates are up. I think there will be plenty of time.

CANADIAN NATIONAL RAILWAYS

COMPLETION OF BRANCH LINE FROM NORTH BATTLEFORD TO EDMONTON

On the orders of the day:

Mr. McINTOSH: I have another question to direct to the Minister of Railways, and I hope that he answers this one. It is directly connected with railway construction in northwestern Saskatchewan this summer. I touched upon this subject in my address to the house about a week ago—to be exact, Friday, February 9.

Some hon. MEMBERS: Question.

Mr. McINTOSH: It is coming. If I remember correctly, the minister was not in his seat when I was speaking on this subject during the debate on the address; I think he was called out. This problem of railway development concerns ten thousand people in that part of Canada.

Some hon. MEMBERS: Question.

Mr. McINTOSH: Just possess your souls in patience.

Mr. SPEAKER: Will the hon. member proceed to ask his question? This is not the time for discussion.

Mr. McINTOSH: That will be done at the proper moment. It is this: Will the minister explain whether his department has any plans under consideration for laying the steel and grading the right-of-way on the balance of the line connecting North Battleford, St. Walburg, Loon Lake, Goodsoil and Edmonton? His cooperation in the solution of this railway problem forthwith would be greatly appreciated.

Mr. MANION: The hon. gentleman knows the position of this matter just as well as I do. He has written me about it a number of times and has also brought it up in the house a number of times. I have given him by letter all the information that I had. He knows that the matter has to be submitted to the management of the railway, and when the management are deciding to recommend to the government and parliament the building of branch lines the railway he is supporting will be given consideration along with others. I cannot give any further information than that. The question is not in the hands of the government but in the hands of the management of the railway.

BRITISH QUOTA ON CANADIAN CATTLE AND EGGS

On the orders of the day:

Mr. THOMAS REID (New Westminster): On February 2, as appears at page 224 of Hansard, I asked the Prime Minister, in the absence of the Minister of Agriculture, a question regarding the importation into Great Britain of cattle and eggs. I would ask the Minister of Agriculture if he is now ready to answer that question or state when I may receive an answer.

Hon. ROBERT WEIR (Minister of Agriculture): I will look up the question and give an answer to the hon. gentleman later.

FLOODS IN VAUDREUIL-SOULANGES

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, on Friday last, the hon. member for Vaudreuil Soulanges (Mr. Thauvette) made an inquiry in connection with the floods on the Ottawa river, near Vaudreuil, and requested that an engineer of the Marine department be sent immediately on the premises. I wish to inform the house and the hon. member that the following day, an engineer of my department was on the premises, investigating the causes of these floods, which had then somewhat receded, the level of the river being about three feet lower. We are studying the situation so as to ascertain whether it would be possible in the future to prevent such floods.

RADIO CONDITIONS

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine): Replying to my hon. friend from Skeena (Mr. Hanson) who asked a question regarding radio reception in his constituency, I stated the other day that I would look into the matter and I wish to say that immediately after a very competent inspector was sent into the constituency of the hon. gentleman. On the thirteenth he was at Quesnel, and from there was proceeding to Fort George and Hazelton with special instructions to inquire fully into the situation and give all assistance possible under the circumstances.

Mr. HANSON (Skeena): I wish to thank the minister for the prompt action he has taken in this matter.

Hon. P. J. VENIOT (Gloucester): While on the subject of radio interference, would the minister be good enough to have an inquiry made into conditions at the station at Fredericton and why we cannot get any good service from it up in northern New Brunswick.

An hon. MEMBER: Perhaps you haven't a good radio.

Mr. VENIOT: We have had a very severe winter, which may have had something to do with the poor reception.

Mr. BOUCHARD: Perhaps the snow is frozen.

Mr. VENIOT: Or the radio commission.

[Mr. R. Weir.]

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr Sullivan in the chair.

Harbours and rivers—St. John—Channel improvements, $220,000.

Mr. MACKENZIE KING: Will the minister explain the item?

Hon. H. A. STEWART (Minister of Public Works): The amount covered by this item is required to complete a contract with the Saint John Dry Dock and Shipbuilding Company Limited. This contract covers the straightening and deepening of the main channel leading from the bay of Fundy into the harbour and was awarded on July 14, 1930.

Mr. VENIOT: To whom?

Mr. STEWART (Leeds): To the Saint John Dry Dock and Shipbuilding Company.

Item agreed to.

Public buildings—New Brunswick—Saint John quarantine station—Partridge island—improvement, alterations and repairs, $10,000.

Mr. STEWART (Edmonton): This and the following item show increases over last year. Surely the Minister of Immigration (Mr. Gordon) does not expect that more money will be required this year for alterations and repairs. Would the minister explain this item?

Mr. STEWART (Leeds): It must be obvious to the hon. gentleman that in some years a building will require repairs while in other years it will not. This amount is required for general repairs and improvements to the Saint John quarantine station which is under the Minister of Pensions and National Health (Mr. MacLaren). There is $1,882 to cover repairs to verandah, painting, repairs to hospital roof and reshingling. These repairs would not occur every year. There is also $7,000 to cover repairs to water supply pipe line.

Mr. DONNELLY: The previous item shows an increase of $57,000 to pay the Halifax harbour commission for maintenance of immigration quarters. Why is that increased this year?

Mr. STEWART (Leeds): That is to cover an adjustment of arrears of rental over a period of two or three years.

Mr. DONNELLY: If there is to be no immigration we should not need any quarters.

Mr. STEWART (Leeds): We must keep up the buildings.

Mr. DONNELLY: Probably for deportees.

Item agreed to.

Maritime provinces—Dominion public buildings, $40,000.

Mr. VENIOT: Will the minister tell us what public buildings in New Brunswick are affected by this vote?

Mr. STEWART (Leeds): This is to take care of repairs to all public buildings in the province. It is impossible to say just how much will be required for each particular building.

Mr. VENIOT: The minister should have an estimate of what is necessary in the province. I do not require details of the various buildings but I should like to know what is estimated to be required for the province.

Mr. STEWART (Leeds): This vote is based upon our experience over a period of years. The hon. member will notice that it is the same this year as it was last.

Mr. VENIOT: How is the amount arrived at? Surely when the engineers send in a report to the department that they require so much for public buildings in the maritime provinces they give the minister an estimate for each province. I should like to know upon what that estimate is based.

Mr. STEWART (Leeds): From time to time the chief architect receives reports from the district architects as to repairs required to these buildings. According to our experience from year to year we estimate that this amount is approximately correct. We are doing just what has been done over a long period of years. The amount this year is similar to the amount voted last year and we hope it will be sufficient.

Mr. VENIOT: The minister does not seem to get my point. I claim that when the architect submits his estimate to the department which is based upon reports he has received from the local architects, he estimates what he considers to be necessary for the province of New Brunswick. In doing that he would estimate what would be necessary for each building. I should like to know the total estimate for the province. Surely it is not left to the department to guess at what amount is needed. He must submit a detailed statement upon which the department fixes the amount necessary for the province for the coming year.

Mr. STEWART (Leeds): There is no estimate before the department at this time as to what the requirements for this year will be. There could not very well be one. This amount of money is placed at the disposal of the department and the architects make their examinations and report from time to time We then apply the money voted by parliament to the carrying out of the needed repairs.

Item agreed to.

Quebec—Dominion public buildings—improvements and repairs, $75,000.
Montreal—instalment on purchase of armoury, installation of fittings, and insurance—under contract, $16,100.
Quebec Citadel—improvements and maintenance, $15,000.
Quebec examining warehouse—repairs and renewals, $10,000.
Westmount—instalment on purchase of armoury, and insurance, $13,600.

Mr. MacNICOL: I should like to ask the minister a question in connection with the second item in this vote. It will apply also to the second items in votes 98 and 100. In connection with the armoury being erected in Toronto, I am informed that the specifications for the materials do not call for one hundred per cent Canadian or British manufacture. The regular specifications issued by the department for buildings to be erected under the supervision of the department call for Canadian materials and I should like to know what steps the minister or his department can take to ensure that all the material entering into the construction of the Toronto armoury shall be either made in Canada or within the British Empire.

Mr. STEWART (Leeds): I am of the opinion that while the contract was awarded by the Armoury association, instructions were given to include our standard specifications in the contract as to hours of labour and Canadian and British materials.

Mr. MacNICOL: I am glad to hear that, but my information is that some material of either the heating, the sprinkling or the plumbing system now on the job was purchased outside of Canada and not within the British Empire.

Mr. HEAPS: What is the basis on which this work is done?

Mr. MacNICOL: If the hon. member does not object, I should like to have first an answer from the minister to the question I asked. If there is at present, in connection with any of these jobs, material purchased

outside Canada and not in the empire, has the government any control over the use of such material?

Mr. DUPUIS: Where is it from?

Mr. MacNICOL: The United States, I am informed.

Mr. STEWART (Leeds): It would depend upon the specifications, which I have not before me, as the contract was awarded by the association. I can assure the hon. gentleman however that I will investigate the matter and if there is any violation of the terms the material will be rejected.

Mr. HEAPS: What is the basis on which the government acquires these buildings?

Mr. STEWART (Leeds): These armouries are constructed by local associations, in each case, in the city where the building is located. They provide the capital and the government undertakes to pay by instalments, over a period of years, an equal amount in each year covering the cost of construction. The building then becomes the property of the dominion.

Mr. HEAPS: I object to that form of contract being entered into by the government with any private corporation. When public buildings are to be erected the government can better afford to put them up than any private organization. In the first place, an armoury is a public building and should be owned by the government; and secondly, when a private organization contracts to erect such a building, it has to go on the public market to obtain funds and is compelled to pay much higher interest than would be paid if the government itself were directly responsible for the undertaking. There must be a difference of one and a half or two per cent in the cost. The government assumes liability to purchase the building over a term of years, and it simply means that it is compelled to pay a larger sum than it would pay if it were responsible for financing the construction. Why does the government allow a private organization to become responsible for the erection of such buildings, when the government is ultimately responsible for them?

Mr. STEWART (Leeds): It is a practice that has been followed by governments for some considerable time. There is something to be said in favour of my hon. friend's contention, but we must bear in mind that these public works are constructed out of revenue. We do not borrow, except in very few instances, money for the construction of public buildings. These buildings are an expense, and to take the cost out of any one year's revenue would be a very severe charge indeed. Therefore, instead of the government borrowing the money, spreading it over a period of years, it adopts this plan of allowing the local association to construct the building. The association takes the initiative in these matters. They have an interest in it, and it is from the local standpoint that the undertaking is initiated; it is not done on the initiative of the government. From the time the building is completed however it is the property of the government; it is taken over from the contractor. It is under the control of the government and is used by the Department of National Defence.

Mr. HEAPS: If it were not for the government's guarantee the private corporation would not be able to finance construction?

Mr. STEWART (Leeds): It is doubtful whether they would be able to finance it if there were not the undertaking to pay by instalment.

Mr. HEAPS: The government in any case has the responsibility of paying for the buildings; it is liable. Does the government supervise the awarding of the contracts for these buildings?

Mr. STEWART (Leeds): The expenditures have to meet with the approval of the government under the terms of an agreement made with the association. It must be remembered that these are buildings which, in the natural course of events, should be constructed by the government. They are not buildings that should be constructed by any private corporation. The architect is appointed by the association and the government exercises very close supervision over expenditures, and if there is anything outside the scope of the standard agreement which has been developed and perfected over a period of years the expenditure is not approved and the association must stand the expense themselves. There are some instances in which associations do expend amounts in addition to those approved of.

Mr. HEAPS: In connection with this particular undertaking, will the contracts be awarded by tender?

Mr. STEWART (Leeds): I cannot say whether in every instance they have been advertised, but I know of no instance in which there has not been competition. I have in mind one building in connection with which tenders were invited from nine or ten different people, although in that particular case there was no public advertisement.

Mr. HEAPS: The reason why I am asking this question must I am sure be obvious to the minister. I have in mind a certain city where they contemplate the construction of an armoury along the same lines as the undertaking we are discussing at the moment. It has come to my knowledge that this particular construction will be awarded by private tender. A private corporation is being created to undertake the work, and the only basis on which the money will be loaned is the intention of the government to lease the building over a period of twenty years. I have a strong objection to the government guaranteeing any private corporation in the construction of public buildings, for the maintenance of which the government becomes responsible, though the building remains under the ownership of a private organization for a period of years. Surely the government is strong enough to erect these buildings in whatever part of the country they are required. Coming back to the city I have in mind, a private corporation is being created there to construct an armoury. The government takes a lease of the building for twenty years. At the end of these twenty years the building will have been completely paid for and will then revert to the ownership of the government; but in the meantime the private contractor will receive from twenty to forty thousand dollars more than if the work were advertised and done by public tender. That is where my objection comes in to the construction of these buildings. I believe that in order to avoid anything savouring of favouritism or overcharging in the construction of buildings the only fair thing to do is for the government to own these buildings themselves completely, advertising by way of public tender, and giving every contractor an opportunity of tendering. I should like to get from the minister an understanding that if any more of these buildings are constructed the government itself, whether through the Department of Public Works or the Department of National Defence, will be responsible for letting the tenders and giving every contractor a chance to tender.

Mr. HANBURY: I wish to associate myself to some extent with the criticism of the hon. member for North Winnipeg (Mr. Heaps) regarding the purchase-rental method of constructing public buildings of any kind. If such a building is necessary the government should assume the responsibility and place before the house an estimate for such construction. I believe the purchase rental method is an evasion of the rights of this parliament; the matter is brought before the government and a contract entered into without parliament being consulted. The government enters into obligations and then comes to the House of Commons and says: We have these obligations and it is now your duty to pass these amounts. The minister has explained how this has been brought about. An association is formed and I think the minister will agree with me that it is purely a paper organization; it is based entirely on the strength of the contract that they can enter into with the government. The question of calling for tenders is technically left with the organization; they may call for tenders or they may not. The government may require the calling of tenders and as a matter of fact usually they do, but after all, the government have entered into a contract with a paper organization and are to all intents and purposes giving them great freedom in the manner in which they conduct their business.

If we are to have armouries in Canada—and I for one believe we must have them—we should carry out the armoury business in an open and aboveboard manner, place the estimates for such construction before the house, let the house consider whether such construction is advisable or not and if we cannot get public opinion as expressed in the House of Commons to support such measures, then I do not think the particular armoury in question should be erected. In the past the reason this method was adopted was due to fear on the part of some members of the government of the day that they could not secure the support of the house for the construction of armouries. I for one believe that time has passed, but I do not think that method should ever have been adopted, and I suggest to the government that if they wish to construct armouries in future, they should lay their plans before the house and let us consider what armouries we should have in Canada.

Sir EUGENE FISET: I am afraid there is some misconception in this matter; these are simply regimental armouries built for one regiment. The association mentioned is a regimental one and in no case are the plans of the association approved by the Department of Public Works before the Department of National Defence have passed on and approved them. Moreover, the first allotment on the first contract made with either the Department of National Defence or the Department of Public Works is always submitted to the House of Commons when the

first instalment is voted in advance of construction. The only armouries of the kind that have been built in the past are, as I said before, regimental armouries for one regiment or brigade. All other armouries affecting other arms of the service or for more than one regiment in one city are always built by the Department of Public Works.

Mr. HEAPS: The hon. member has completely evaded the real issue at stake.

Sir EUGENE FISET: I was not replying to the hon. member.

Mr. HEAPS: I am trying to point out that the question has nothing to do with the purpose for which the building is being constructed. The point is whether the erection of public buildings is to be turned over to private corporations. If public buildings are to be erected, the proper body to control their erection is parliament; parliament should have control over the money it is voting and over the building once it is erected. I did not even raise the question of armouries or oppose their construction; I am raising an entirely different point. I object to parliament being asked to vote money to a private organization. If parliament is responsible for the erection of a public building, it should control the money and the building itself. Will the minister say that in future no such plans will be approved by the government, but that parliament will assume all responsibility in connection with the erection of such buildings?

Mr. STEWART (Leeds): This practice, as I have said, is not new. I think it originated in 1925 in connection with the construction of an armoury in the city of Montreal.

Mr. HANBURY: Was it not Regina?

Mr. RALSTON: Westmount.

Mr. STEWART (Leeds): I think the Montreal armoury preceded the Regina one. The former Deputy Minister of National Defence understands the situation very well and the reason these buildings have been constructed as they have. Let me say to the hon. member for North Winnipeg that these buildings are from the time of completion of construction taken over by and under the control of the government, and then handed to the regiment that occupies them in the usual way that military buildings are occupied. I point out to the hon. member for Vancouver-Burrard that the matter must come to parliament for approval of the first item in the estimates and then the whole question is up for discussion. If parliament rejects the item in the estimates, the matter cannot proceed; it is all subject to the approval of parliament.

Mr. HANBURY: Is any contract entered into before the first estimate is approved?

Mr. STEWART (Leeds): You cannot enter into a contract before you have a vote of parliament for the amount required. We never enter into a contract until the matter is discussed in parliament and the vote passed. It is on the strength of that vote that the agreement is made with the association.

Mr. HANBURY: The minister says that after the completion of the contract, the government have full control of the building. I understand that legally the building remains in the possession of the building company for a period of years. I believe a limited liability company is formed and this company have officers and hold meetings, and continue to do so for a period of years. The building, while it may be actually in the possession of the government, is technically in possession of the building company.

Mr. HEAPS: Until it is paid for.

Mr. HANBURY: Yes.

Mr. KENNEDY (Winnipeg): It is my understanding—and I would ask to be corrected by the minister if I am wrong—when the contract is completed and the armoury is taken over by the government, title is thereupon vested in the government, and instead of the government having technical it has legal possession from the time of completion of the armoury.

Mr. RALSTON: As I understand the matter, title is not in the government; it is in the association, but it is under an instalment purchase agreement whereby possession is in the government, so that nothing but the bare title remains in the association and at the end of twenty years, or whatever the term may be, the building automatically comes under the control of the government in the sense not only of possession but of title. The principal objection I have seen to this method—and as a former minister I have at least on one occasion presented to the house a similar estimate—is whether we could get money at the same rate of interest in this way as if the money were borrowed directly. There is a great deal to be said

for what hon. members on this side have stated, and probably the Minister of Public Works and the Minister of National Defence will agree. I know I sat in this chamber one night in 1928 or 1929 and heard the present leader of the government absolutely rave, if I may use the word without offence, with regard to a similar proposition in Regina, but it seems that the situation is different now that the right hon. .gentleman is himself leader of a government. The principal objection is the question of interest, but outside of that I do not think there is any question but that the government's interests are protected in every particular.

May I say further, in regard to the Victoria Rifles armoury building, which is the first item in vote 97, that if ever there was a case of merit it seems to me this was a genuine case. For many years that regiment supplied their own armoury premises, which they owned themselves, and of which they gave the government the benefit of the use. I have forgotten whether the building finally went into disrepair or whether it was burned.

Mr. SUTHERLAND: A tunnel was put through.

Mr. RALSTON: Yes, and the premises were rendered unfit for use. Then, and only then, this regiment came to the government and asked them to supply premises for them, and that is what this particular vote is for. With regard to the Westmount armouries, I understand that that was started in 1925. Will the minister tell me how many instalments are still due on that building.

Mr. STEWART (Leeds): The first payment on the Westmount armoury was made for the year 1926-27 and amounted to $12,624. We have made eight payments, so there are twelve payments yet to be made.

Mr. LUCAS: Has the minister any information as to the manner in which these associations raise the money for the erection of these buildings, and what rate of interest is charged?

Mr. STEWART (Leeds): I believe they issue debentures, and so far as we are concerned the rate of interest is limited to five per cent.

Mr. HEENAN: Would the minister tell me whether under this method of erecting buildings the contractors are governed by the fair wage and eight hour day law passed in 1930?

Mr. STEWART (Leeds): The clauses regarding minimum wages and so on as laid down by the Department of Labour are sent to these associations, who must embody them in their contracts. We see that this is done.

Mr. BOUCHARD: Has the minister received any requests for the construction of a post office at Ste. Anne de la Pocatière, and if so is there any likelihood that it will be constructed in the near future.

Mr. STEWART (Leeds): I cannot recall any very recent request, but I should be surprised if at some time during the last few years we have not received a request for the construction of a post office there.

Mr. BOUCHARD: Would the minister be kind enough to secure this information?

Mr. STEWART (Leeds): Certainly; I shall find out when and by whom the last request was made.

Mr. MacINNIS: Would the minister say whether any buildings used for other purposes are constructed and taken over by the government on the same principle.

Mr. STEWART (Leeds): I understand that in the past some buildings have been acquired in a similar way. My deputy informs me that the Daly building in Ottawa was purchased on the instalment plan as well as a certain building that we use for workshops. These building were not constructed on the same basis and then acquired, but were purchased from the owners on the instalment plan.

Mr. MacINNIS: That is quite a different principle. The reason I asked that question was because I am of the opinion that there is something in the contention expressed by the hon. member for Vancouver-Burrard that this is a sort of underhand way of building armouries in this country. There may be other reasons why it is done in this way but undoubtedly this is one of the main reasons.

Mr. STEWART (Leeds): In reply to my hon. friend I can assure him that there is nothing underhand about it. There can be nothing underhand when we come to this house and ask for approval of an estimate for this purpose. Just as much information is given in connection with this vote as is given in connection with any other.

Mr. HANBURY: I should like to ask the minister whether the government would give sympathetic consideration to further construction under this plan.

Mr. STEWART (Leeds): It seems to me that my hon. friend's request cancels the suggestion made by the hon. member for North Winnipeg who asked me to give a pledge that this would not be done again.

I understand that my hon. friend suggests that I should give him a pledge that it will be done.

Mr. HANBURY: No, I ask for sympathetic consideration.

Mr. STEWART (Leeds): It would not be very sympathetic if we did not do it. Of course I cannot pledge the government as to what their policy will be in any particular case. They will have to be guided by what appears to be best in the circumstances as they are presented in each instance. There is precedence for this action; there is also some merit in it. I recognize the force of the objections to it, but in this case it has been adopted apparently with fairly satisfactory results to all concerned.

Mr. HEAPS: I presume the government are obligated to the amounts set out in the estimates, but I am raising the question in regard to future construction of a similar type. I am asking two things: First, if the department feels it necessary to construct armouries that they should construct them on their own responsibility; second, that if the government do not want to assume the responsibility for the erection of these buildings and think it a better policy to have private corporations undertake their construction, then I want the government to undertake to see that these buildings are constructed by public tender and put up in such a way as to ensure that the government will get the best possible results for the money for which they become responsible. I should like to have the minister's reply to those two suggestions.

Mr. STEWART (Leeds): The specifications are submitted to the Department of Public Works for revision and approval, and are also submitted for the approval of the Department of National Defence. I cannot give my hon. friend any undertaking that in no case will an armoury be constructed on any plan other than this or that all armouries will be constructed by the government. I can assure him that we will endeavour to see that reasonable competition is secured. Certainly we would not approve of the construction of a building at an extravagant cost. We have our own estimates, and I know of no case in which a contract has been awarded privately or as the result of only one tender. We would want to be satisfied that there was honest, real competition in connection with the awarding of the contract.

Item agreed to.

[Mr. H. A. Stewart.]

Ontario—

Dominion public buildings—improvements and repairs, $95,000.

Toronto—instalment on purchase of armoury, installation of fittings, and insurance—under contract, $44,100.

Toronto public buildings—government's share of cost of local improvements, $2,400—Total, $141,500.

Mr. FACTOR: I should like to ask the minister for the particulars of the third item, amounting to $2,400, for the city of Toronto.

Mr. STEWART (Leeds): This is to provide for payment of the government's share of the following local improvements in the city of Toronto: sewer on Lombard street between Victoria and Church streets, $1,116.29; an asphalt pavement on Lombard street between Victoria and Church streets, $1,249.97, or a total of $2,366.26, say $2,400 to cover contingencies. These are opposite government-owned property.

Mr. BRADETTE: I just wish to bring to the attention of the committee certain anomalies respecting public buildings in the city of Ottawa, and certain public works. Very often from the other side of the house we hear a challenge to the effect that there is lack of cooperation. I know there is a system in Ottawa, one which is growing, concerning men who are seeking work on the railways, on the Rideau canal, or shovelling snow in front of public buildings. If a man wants to get work on the Rideau canal he has to go to the vice-chairman or the chairman of the Liberal-Conservative Association of the city of Ottawa, and there he is asked if he is a Liberal or a Conservative. I am positive of these facts. Before a man is put on the list so that he may obtain any kind of work from the government he has practically to sign a pledge and to pay the sum of one dollar before his name is entered on the list. He has to say he belongs to the Liberal-Conservative Association. I come from a section of the country where we do not believe in that system. I know that so far as the Cochrane district is concerned there is no playing of politics in regard to relief measures. I do not see any reason why in the city of Ottawa or anywhere in Canada such a system should be in existence. I know that patronage exists, and that it has existed in the past, but I have never heard of any man being asked to sign his allegiance to a certain party before he could get any work. Certainly that should not be done at the present time. Even the sum of one dollar means a lot to many of those men. Some of them would never receive any return from it. I know that if the country was aware of the situation, in view of

statements made by the government that there is no partisanship so far as the distribution of work is concerned, the government would be severely criticized. I protest against the practice I have described.

Mr. STEWART (Leeds): May I say in reply that I know nothing of what happened in the Department of Railways and Canals. I do know that a few years ago when we were on the other side of the house and my friends were on this side of the house I heard similar charges made.

Mr. HANBURY: And will again.

Mr. STEWART (Leeds): So far as the Department of Public Works is concerned I do not know of any such practice as he suggests exists. I do know however that from time to time I receive complaints that we are employing too many Liberals in connection with work of this kind.

Mr. MANION: May I say a word in reply to the hon. member, since he has attacked my department. I do not admit that any such condition exists as he has described, namely, that men have to pay a dollar before they can obtain a position. I admit frankly however, generally speaking, that so far as the appointment of workers on works of my department in the city of Ottawa or elsewhere is concerned, we very frequently do accept the recommendations of the Conservative committee. What is the use of implying anything else, because everybody knows, as the Minister of Public Works has pointed out, that the same charge was made from our side of the house against the last government?

I say quite honestly and quite sincerely that there is no difference, generally speaking, between the system which obtains under this government and that which obtained under the previous one. Not only that, but I believe generally speaking there is a good deal to be said in defence of the practice. I do not mean to suggest that when a man is destitute he should not be given consideration; many of them are. Irrespective of a committee in this city I have on a number of occasions given positions to men who, it was represented to me, where in destitute circumstances. That often occurs, I have not any doubt, in the Department of Public Works, my own department and in others. But, generally speaking, it is obvious that the government in power, whether it be Liberal, Conservative or even a government of my hon. friends in the corner—when, a thousand years from now, they gain power—will probably do likewise. It will naturally give consideration to its friends. I do not think any just criticism can be levelled at that. I do not admit however that the system is, in detail, as pointed out by the hon. member. When my estimates are up for consideration I shall be happy to discuss the whole matter.

Mr. BRADETTE: I wish to repeat that there is a list of those belonging to the Liberal-Conservative Association of the city of Ottawa. The Minister of Railways has mentioned the fact that there is a partisan system. I do not agree with that principle, no matter what party is in power. We do not do that in our section of the country. There is this fact, however, that men whose names appear on the list have to pay one dollar. The Minister of Railways and Canals would not accuse the late government of adopting that practice.

Mr. MANION: I do not admit that it exists now, either.

Mr. BRADETTE: I repeat the statement that it does exist.

Mr. MANION: That does not prove it.

Mr. BRADETTE: I will give hundreds of names, if necessary. If a man is to get any kind of work he has to pay a dollar and sell his soul to the Conservative party to get on that list. I say that that is not fair. The Minister of Railways and Canals would not accuse the late administration of having compelled men to pay the sum of one dollar to belong to the Liberal party and to get work.

Mr. MANION: That is exactly what they were accused of. Whether it was true or not, the fact is that that was the accusation.

Mr. BRADETTE: That does not help the situation. We have been challenged by hon. members opposite to give cooperation. May I say we are willing to give it, but we do not want such practices as this, and particularly under present conditions. I have had men visit me in this city of Ottawa who have told me that every man who gets work around these buildings or on the Rideau canal must sign allegiance to the Conservative party. I repeat that that is not fair.

Mr. MANION: Just because someone has made that statement to the hon. member does not necessarily prove that it is true. Frequently men state things which are not true or correct. However, I shall look into the whole matter, and shall gladly discuss it later.

Mr. MARCIL: I should like to thank the Minister of Public Works for the manner in which he has responded to my request for

information concerning my constituency. However, may I inform him if he does not already know it, that no Liberal has had a job in the county of Bonaventure since the Conservative party has been in office. I am not blaming him for that. In our parishes the party leaders have the spending of the money, and they employ their own friends. Probably they are following in the footsteps of the party who preceded them. I am pleased to note that our amiable and truthful friend, the Minister of Railways and Canals, has made a public acknowledgment to-day as to the system prevailing now. It would seem to be the system that to the victors belong the spoils.

Another circumstance comes to my mind at this time. I believe it was in 1929 that the then leader of the opposition, the Prime Minister of to-day, read a letter to this house from the county of Bonaventure complaining severely that the party affected was unable to obtain work because he was a Conservative. The leader of the opposition of that day, the right hon. .gentleman who sits opposite to-day, protested strongly at that time against the practice he described. He stated that poor labourers, no matter what their allegiance was, should be employed, irrespective of party. I should like to have that policy followed at the present time.

Mr. MANION: It is being followed.

Mr. MARCIL: In my constituency there are poor men who do not know where to turn for their meals. If they are to be punished because they voted for the Liberal party I must say that would not seem to be a very fair way of distributing public money. I would ask the minister in connection with any further works that he grants to my constituency to instruct the overseer to see that the work is divided equally. The parish priests have asked from the pulpit that those who are most in need should be given the work and that it should not be confined wholly to one party. That is the reason I am bringing the matter to the minister's attention and raising objection at this time.

Mr. STEWART (Leeds): I could show to my hon. friend a sheaf of letters from Conservative committees in his constituency complaining that the Liberals are still in power down there.

Mr. MARCIL: That is misinformation.

Mr. STEWART (Leeds) And that they are getting all the work and furnishing all the supplies.

Mr. MARCIL: Not in Bonaventure county.

[Mr. Marcil.]

Mr. STEWART (Leeds): And that the Conservatives are not getting a fair share of the work even when it is being done by day labour.

Mr. MARCIL: Misinformation.

Mr. STEWART (Leeds): I am telling you honestly the information I am getting.

Mr. DUGUAY (Translation): Mr. Chairman, I am pleased of the opportunity afforded to me of discussing patronage. The hon. member for Timiskaming North (Mr. Bradette) mentioned, just now, a kind of a pledge that people have to sign, in Ottawa. I hold in my hand such a pledge from a Liberal club of Quebec. These pledges are not solely required for work entirely paid by one or another government, but also for such work which is paid by both Dominion and provincial governments, in connection with unemployment relief. Instructions to show preference to members of this club are given to engineers of various districts, not only by political organizations but directly by the Quebec government. I have here a document addressed to a highway engineer, instructing him to employ, in relief work, for the repairs of a certain road, 75 per cent Liberals and 25 per cent Conservatives. The hon. member for Timiskaming should come and give a lecture, on the subject, to the Liberals of Quebec, but especially to the Prime Minister of that province.

Mr. MacNICOL: Since I asked the question in regard to the Montreal armouries I have been advised by the departmental official that the specifications for the Toronto armouries do not stipulate that the material—I am not sure whether all the material or not—to be used in the construction of these armouries shall be of Canadian or at least of British manufacture. I am very grateful for the minister's statement a moment ago that so far as lies within his power he will see to it that the material going into these armouries will be Canadian, or at least British material. Construction on the armouries has not yet gone far enough for the use of material of general manufacture, and while the specifications it is said do not call for the material to be made in Canada, I trust that the minister will make every effort, as I know he will, to see that the material so far as possible is Canadian. He is just as anxious as I or any other member of the house that Canadian material and Canadian labour be used as far as possible in the construction of all buildings for dominion purposes. I do know that all the specifications issued for

buildings which the department itself erects specify that the material must be of Canadian or British manufacture, and if it is not too late to take action in reference to these buildings that are being erected outside of departmental control, I hope that similar action will be taken. I have no criticism whatever of the specifications other than that. I am told that they are excellent specifications, nor have I any criticism to offer of the contractors, who I am told are the very best, nor of the sub-contractors or workmen. The only thing I am concerned about is that Canadian material and Canadian workmen be used if at all possible, and if not Canadian material, at least British material.

Mr. BOUCHARD: May I suggest that the Finance minister raise the tariff in his next budget so that the request of my hon. friend (Mr. MacNicol), and not my desires, may be complied with?

Mr. STEWART (Leeds): I have no doubt that that would meet with the approval of my hon. friend who has just spoken. In reply to my hon. friend from Toronto Northwest (Mr. MacNicol), the departmental specifications are exactly as he has stated, and within the last few years they have been revised to make them even more exacting with respect to the use of Canadian and British material. I shall certainly see that in any contracts that may be awarded in connection with these armouries the same standard specifications are inserted, and if they are not already in the contracts, we will take the matter up with the contractors and see if we cannot get them to use Canadian material.

Mr. MacNICOL: I thank the minister very much for his remarks.

Mr. STEWART (Leeds): To ease the mind of my hon. friend from Toronto Northwest, may I remind him that the minister who controls importations into this country will see to it that an embargo is placed on the importation of outside goods. I think my hon. friend can rest his soul in peace because, according to the letters I am getting, there is no danger under this ministry of any goods getting into Canada, even from the British Empire, if Canadian goods are available. I cannot understand how anyone who favours tariffs, embargoes and restrictions to the extent my hon. friend does should be at all alarmed over the possibility of foreign material coming into competition with Canadian.

Mr. MacNICOL: I am anxious for Canadian workmen to get as much work as possible.

Mr. BRADETTE: A few days ago, in reply to a question, the Minister of Public Works gave the amount that was being paid for rentals of buildings for the use of the government in this city. I have not the figures before me but they ran into hundreds of thousands of dollars. I understand, and I wish to be corrected if I am wrong, that two floors of the new Confederation building are unoccupied at the present time. If that is true, it would seem to the ordinary man that the whole of that new building should be occupied before further rentals are paid in the city of Ottawa.

Mr. STEWART (Leeds): I can assure my hon. friend that his information again is absolutely incorrect.

Mr. BRADETTE: Why again?

Mr. STEWART (Leeds): There is no space in the Confederation building of any importance that is not occupied. There is not one floor nor half a floor that is not occupied. The amount of rentals paid in the city of Ottawa has been very substantially reduced, and we are now paying over $100,000 less than before we went into the Confederation building, and since we have given up some rentals that we had.

Mr. HEENAN: Referring to the question that has been brought up by the hon. member for Bonaventure (Mr. Marcil) and the hon. member for North Timiskaming (Mr. Bradette), and in view of the frank admission of the Minister of Railways that there is discrimination or, shall I say, patronage with regard to appointments, although I thought we had done away with that—

Mr. MANION: Not under your regime.

Mr. HEENAN: The Prime Minister in the 1930 session promised on his honour from the floor of this house that there would be no such thing as discrimination or patronage in connection with these public works that were being undertaken for purposes of relief. I hold in my hand P.C. 2043, dated August 5, 1931. I feel sure the government believe in their own orders in council, and I should like to quote clause 9 of this one, which reads:

> All agreements with provincial and municipal authorities shall contain a provision to the effect that all persons employed on the works or undertakings referred to herein shall be residents of Canada, and so far as practicable of the locality in which the work is being performed, and in no case shall discrimination be made or permitted in the employment of, or in the granting of direct relief to any British subjects by reason of their political affiliation, race or religious views.

I think that is a very good principle.

Mr. MANION: May I interrupt the hon. gentleman? We were not discussing direct relief, and I do not think the discussion of that matter is in order. The hon. member for Timiskaming referred to ordinary work on the canal.

Mr. HEENAN: I wish the minister would let me finish.

Mr. MANION: I consider the hon. gentleman as being out of order in discussing direct relief on an estimate of the Minister of Public Works.

Mr. RALSTON: If the minister heard the order in council which was read, he would realize that it referred not only to direct relief but to employment.

Mr. MANION: I was not talking about the order in council, I was talking about the discussion. The hon. gentleman has no need to tell me what I am talking about.

Mr. RALSTON: The Minister of Railways seems to be very glib. He rose to a point of order and I am only suggesting that the hon. gentleman was talking about an order in council which deals not only with direct relief but with employment. Reference to such an order in council is in order during the discussion of public works estimates.

Mr. HEENAN: I like to be called to order once in a while by the Minister of Railways even though he may not be the chairman of the assembly. If the government insists upon such a principle in the case of the provinces and the municipalities, it should be good enough for them to carry out themselves. I think it is a shame and a disgrace to see a member of the government stand up and tell this house during times like this when there is so much distress through the country that they are actually taking recommendations of Conservative associations as to who is to receive employment. I agree that in normal times there might be something to be said about such a practice but this government is supposed to enforce this principle in connection with the provinces and the municipalities and yet they act at variance with it, as has been admitted by the Minister of Railways and the Minister of Public Works.

Mr. MANION: I did not admit discrimination at all. I took the attitude that in the case of ordinary work on the canals—nothing to do with relief work—this government was doing the same as the last government. I am not hypocrite enough to say that, generally speaking, we do not prefer our friends to our enemies. As far as I am concerned personally, I would prefer a friend to an enemy where there is work to be performed. As far as relief work is concerned, so far as I know nothing in the shape of patronage has been practised. If I understood the order in council correctly, it deals entirely with relief matters and has no connection with ordinary work on the canals. As I have pointed out on many occasions, I have appointed people to ordinary canal work who had nothing to do with committees but I shall be quite frank and admit that, generally speaking, when ordinary work on the canals is let we do exactly the same as the late government did when they were in power. As a general rule, we take the recommendations of our friends.

Mr. BRADETTE: Does the minister mean his past enemies or his present enemies?

Mr. MANION: The hon. member will find out.

Mr. STEWART (Leeds): The order in council quoted by the hon. member for Kenora (Mr. Heenan) is in connection with expenditures specifically earmarked for the relief of unemployment. This department issued instructions to all its district engineers and architects that under no circumstances should there be any discrimination and that wherever possible they should consult the mayor, the reeve or the head of the municipality and make a fair distribution of the employment. Preference was to be given to married men over unmarried men or to such cases where the need was greater. I know in many cases rotation was carried out as suggested by the mayor of the town. We received complaints but they were investigated and I should say that ninety out of one hundred were found to be unfounded. I say to the hon. member for Kenora that there was an honest, a sincere and a successful attempt made to administer the moneys voted for unemployment relief. They were administered fairly and in a manner calculated to bring about the greatest measure of relief.

Mr. VENIOT: I would not rise to take part in this discussion were it not for the fact that the Minister of Railways (Mr. Manion) has confessed so openly that he believes in the system. I believe in the system and I do not intend to criticize the present government for distributing patronage under ordinary conditions in normal times. I did it myself and if I ever have the honour of getting back into power, I shall do it again.

They say an open confession is good for the soul, but I do not know whether the minister needs that. I deprecate the fact that he has made such a confession because in 1928 and 1929 he was one of those who attacked most bitterly not only myself but other ministers of the then government for distributing patronage to our friends.

Mr. MANION: I do not think my hon. friend can lay his hands upon any issue of Hansard where I said any such thing. I am honest enough to admit that the government in power naturally favours its friends to its enemies. I do not think I have ever in my life attacked either my hon. friend or any of his friends for carrying out that idea.

Mr. VENIOT: The Minister of Railways has been on his feet half a dozen times while I have been up only once. If he wishes to reply to me, let him do so after I am finished. Every hon. member within hearing of my voice knows that in 1928 and 1929, and especially in 1927, the Minister of Railways and others were very critical in opposition. He was a member of the committee that held up the estimates of the Post Office Department for twenty-one days. They obstructed the proceedings of the house because I, as Postmaster General, had been distributing patronage. They claimed that I had not done the right thing in the appointment and dismissal of postmasters, and the Minister of Railways cannot deny that.

Mr. MANION: I do deny it so far as patronage is concerned.

Mr. VENIOT: I cannot accept the denial.

Mr. MANION: You do not need to.

Mr. VENIOT: Under the rules of the house I am obliged to accept it, but the records of this parliament will show that I am right. I leave it to the records and ask hon. members to look them up and see who is correct, the Minister of Railways or P.J.V.?

Mr. BELL (Hamilton): Who is he?

Mr. VENIOT: Let me go a step further. The Minister of Public Works says that they have been successful in preventing patronage in the distribution of work for relief purposes. Even though he was not fair at that time, I am fair enough to give credit where I think credit is due. I appealed to the Minister of Public Works to stop the patronage in the distribution of relief work in the county of Gloucester and he wrote and told me that instructions had been issued to the provincial engineer that that system should be abolished. The minister, at my suggestion, sent their engineer to a certain port in the county of Gloucester where wharf repairs have been going on. The engineer tried to straighten out, and did straighten out certain conditions that were shameful; but the very moment his back was turned the foreman in charge, under the direction of the patronage gentleman of the county, the defeated Conservative candidate, took these Liberals off the job and put Conservatives back again. These men were in desperate circumstances. There were four of them, fathers of families, with not a bite in the house to eat. They applied for work and were turned aside by the foreman and distinctly told that they had voted the wrong way. It was then, when I was made aware of the situation, that I called the attention of the minister to it. He was good enough to take the matter up, and he tried to remedy it, but it was never remedied. It was remedied one day; but the distributor of patronage on behalf of the government went down the next day and threatened to dismiss the foreman if he did not carry out his instructions. His remarks were these, "I am running the public works in the province of New Brunswick; not the Minister of Public Works of the dominion." I am only pointing this out to show the minister that no matter what efforts are made there are political partisans so narrow that they will take advantage of the occasion to carry out their own free wishes, and to punish those who they think should be punished. In spite of any government that practice will be carried on, but it should not be carried on under the conditions that exist in Canada to-day.

Let me go a step further in the matter of the distribution of work for the unemployed, since it has been brought up and discussed, though I know it does not come up under this item.

The CHAIRMAN (Mr. Sullivan): I think the chairman is giving too much leeway.

Mr. VENIOT: It is too late to raise that question now; I claim the same privilege as the others. I want to make a submission to the Minister of Railways. I know that the answer will be, "It is a matter of administration with which I have nothing to do." Well, it will be a sorry day for Canada, it will be a sorry day for any government, when a gentleman bearing the title of Minister of Railways has to stand up in the house and say he has nothing whatever to do with the railways of Canada, especially when flagrant injustices are pointed out to him, such as I

am now going to mention. The railway authorities at Moncton issued instructions, during a very severe winter, with reference to the clearing of snow in northern New Brunswick, that persons taken on to do that work along the railways should be in the first place married men. I approve of that, for I think it is a good move. They said that there should be no discrimination as to who the parties might be, provided they were in need of work. The instructions were that they should take men who were on direct relief and put them to work along the railway line. In the lower part of the county of Gloucester the railway runs from Tracadie to Shippegan, a distance of some eighteen or twenty miles, and from Inkerman Junction to Caraquet, fourteen miles. The road then runs from Caraquet to Bathurst for forty-five miles. The district between Tracadie and Shippegan had to employ hundreds and hundeds of men owing to the early severe snowstorm, as a result of which the snow was some six feet deep. The section foreman at Tracadie did not, would not employ men on relief; instead, he took on friends of his and put them to work—as many as two men in one family, the sons of a farmer, men who were well to do and had no need of any such work to carry them through the winter. This condition of affairs I brought to the attention of the manager of the Atlantic region, Mr. Appleton, and asked him to investigate it. He told me they had given instructions not to do anything of that kind, but the instructions were not carried out. I believe the matter was investigated and remedied to some extent, but only for a short time. The same thing took place after the next snowstorm. I wish it distinctly understood that I am not blaming or criticizing the minister; I am simply pointing this out that the heads of the railways should get into closer touch with conditions and see that their instructions are carried out, especially in these times when people need work to keep their families.

Under the conditions that exist in Canada to-day there should not be employed on relief work any man who does not need it; it should go to those with dependents, who are out of work and have no means whatever of providing for those dependents. It is for that reason that I bring the attention of the Minister of Railways to this condition of affairs, in the hope that he will have influence enough with the railway administration to see that in future they will get into closer

[Mr. Veniot.]

touch—at any rate, those whose duty it is to do so—with the men over whom they have supervision, in order to have the work done without discrimination.

Mr. MANION: I have never heard of the incident which the hon. gentleman has described, and I can say quite frankly that I have never endeavoured to interfere in the employment of any railway men, because that is a matter entirely in the hands of the management. Nor do I think that the Minister of Railways in the late government tried to interfere with employees. I know that my hon. friend made it clear that he was not criticizing me personally, and I shall be glad to pass on to the management the remarks he has made.

Mr. BOUCHARD: Unless I am led astray by my poor knowledge of the English language, the word which the Minister of Railways used to qualify a political opponent, the word enemy, is a very strong one, after the wonderful speech we heard a few days ago asking the house and the country to cooperate with him in putting the dominion on a proper footing. I say this courteously to the Minister of Railways, inviting him on reflection to give a little explanation of this word.

Mr. MARCIL: When I spoke about these works in Bonaventure I referred to federal works; I never thought of works as being carried on jointly by the dominion and the province. The system is this. The province asks for work, and if the dominion agrees to it the province carries on the work. That is the system now in operation. I was referring to the works carried on under the supervision of the minister himself in the repairing of wharves along the sea shore. I make bold to say that during the last three years no Liberal has been employed on any of those works. That situation may have been brought about without the knowledge of the minister, but I would be interested to know whether the minister at any time gave the resident engineer instructions that men should be employed on such works irrespective of their nationality or political affiliations. If that is so, I should like to have the information.

Mr. STEWART (Leeds): The instructions will be found in Hansard of a couple of years ago, I think it was 1931, when the dominion undertook on its own account a program of public works for the relief of unemployment. At that time, in answer to objections similar to those that are now being raised by my hon. friend, I read into Hansard the instructions

given in regard to carrying out works for the relief of unemployment. Those instructions were not given in connection with our regular program of works once we got through the relief program.

Mr. MARCIL: I have had no complaints regarding relief because that is carried on by the municipality.

Mr. STEWART (Leeds): My hon. friend is mistaken there. Those instructions were given in connection with relief works carried out and paid for wholly by the dominion in 1931.

Mr. MARCIL: Those instructions are not in force at the present time.

Mr. STEWART (Leeds): Not in connection with our regular program of works.

Mr. MARCIL: I wanted the minister to admit that.

Mr. STEWART (Leeds): I said that.

Mr. GOBEIL: Listening, as I did very carefully, to the remarks of the hon. member for Gloucester, I almost thought he was speaking of things happening in the province of Quebec where on all works under the supervision of the provincial authorities no one can get work unless he is a recognized Liberal.

Some hon. MEMBERS: Order!

Mr. GOBEIL: I am referring now to relief works supervised and conducted by the provincial authorities, more particularly by the Department of Colonization of Quebec.

Mr. BRADETTE: Is the hon. gentleman a provincial or a federal member?

Mr. GOBEIL: I ask the chairman to give me the same privilege as was accorded to other hon. members who have been speaking on everything. In respect to works undertaken by the Department of Colonization of Quebec, financed fifty per cent by provincial authorities and fifty per cent by this government, the provincial government do not even notify the authorities of the municipality in which the work is done. They simply send instructions to one of their good followers, one of their parish leaders, giving him full power to employ whomsoever he likes, regardless of the municipal authorities, who are not even consulted. I agree in a way with the hon. member for Gloucester on the question of patronage, but at the same time I do not believe the Minister of Railways was quite correct in the statement he made and I intend to give an illustration for my reason for holding that opinion. Under the administration of the ex-Postmaster General, two rural postmasters were dismissed in Compton county without an investigation of any kind and without their having an opportunity of being heard. When this government came into power our friends asked that these postmasters be reinstated, but I could not get that from the present Postmaster General. There is a difference between the principles of the Liberals and those of the Conservatives in regard to patronage and it is this: when the Liberals come into power, they dismiss every Conservative they can and replace them by Liberals. When the Conservatives come into power, they make very few dismissals—

Some hon. MEMBERS: Oh, oh.

Mr. GOBEIL: I agree that they give preference to their friends, and it would be a shame if that were not the case; but they do not go half as far as the Liberals do when they come into power. Some day I will give the house the details, but I have in my hand a document showing that several dozens of civil employees were dismissed after the election of 1926 without investigation and without their having an opportunity to demonstrate whether the complaints made against them were right or not. That is the difference that exists between the two parties.

Mr. BEAUBIEN: Were they appointed by the shadow government?

Mr. GOBEIL: They had been in their positions anywhere from five, ten, fifteen to twenty years; I do not know who appointed them.

Item agreed to.

British Columbia—Dominion public buildings—improvements and repairs, $25,000.

Vancouver—instalment on purchase of armoury, $14,000.

Vancouver public building—to meet one year's interest at 5 per cent on mortgage of $400,000, $20,000.

Mr. REID: Would the minister explain what the improvements are in connection with Dominion public buildings? I might follow that up with a question as to the mortgage on the Vancouver public building. How long has that to run and how long has it been in existence?

Mr. STEWART (Leeds): As to the repairs on the Dominion public buildings, I can only say that this item is one that we have carried for many years to meet necessary repairs from time to time. We have not any list of them now. The architect will make an examintion and report from time to time the expenditures that should be made.

Mr. REID: It is no special building; it is just general?

Mr. STEWART (Leeds): No special building—any building that needs repair. As to the item of $20,000 to meet one year's interest on a mortgage, this is required for payment to the Montreal Trust Company of one year's interest on a mortgage of $400,000 held by that company on the Winch building in Vancouver. This building was purchased in 1925, subject to mortgage, and this pays the instalment of interest on it.

Mr. REID: How long has the mortgage to run?

Mr. STEWART (Leeds): The mortgage is past due, but we are just carrying it on rather than raising the money to pay it off.

Mr. HANBURY: I want for a minute to revert to the question of armouries, as the minister has been good enough to call this item. I should like to ask him what units there are in Vancouver and also what accommodation they have. While he is looking up that information, I should like again to refer to the question of the purchase rental basis and to give the committee some information of which I have direct knowledge. The government were for a number of years renting a building known as the old horseshoe building in Vancouver for the sum of $9,000 a year. It was practically a condemned building and very inflammable, and in that building the government had stored a large amount of very valuable guns and ammunition. As you will see by this item, they have been able to construct an armoury for an annual cost of $14,000 that has provided practically ideal quarters, that is giving some insurance against fire and that encourages those men who are giving their time and attention to the development of our militia.

So, with regard to the construction of armouries, I want to assure the minister and the members that I am thoroughly in accord with such construction where there is need for it. At the same time I should like to point out to the minister and to the Minister of National Defence, whom I am pleased to see in his seat, that there are other units in Vancouver lacking proper accommodation. I refer particularly in the first instance to the Seaforth Highlanders; I think they are called the 72nd brigade, although I am not sure. I think the Seaforth Highlanders are spread over three different buildings. They are one of our best units and deserve some encouragement. I understand representations have been made to the government that an armoury should be constructed. I should prefer to have that armoury built, if it is to be built, by the government in the regular way they construct government buildings, but if we cannot get an armoury on that basis, I am quite prepared to subscribe to the rental basis. I really do think something should be done for the Seaforth Highlanders; and there is another unit as well whose name I have forgotten for the moment. They are located in rented quarters in a different part of the city from that from which they draw the greater part of their membership, and they are also entitled to the support of the government.

In that connection I would suggest to the government that if they are to recognize the militia, and if there is such a thing as defence necessary, probably there is no place in Canada where such encouragement should be more freely given than in Vancouver. Vancouver is on the Pacific and we all look with perhaps some apprehension to what might happen on the Pacific in the not distant future. Vancouver is so situated that it might become involved in any trouble in that area. The government would be justified in giving consideration to this matter, and I think they should give some further encouragement to those men who have been carrying on for a number of years under very great disabilities. Perhaps the minister could tell the committee what stage the negotiations have reached with regard to an armoury for the Seaforth Highlanders, and perhaps if there is nothing of a definite nature he may assure the house at least that very sympathetic consideration will be given and an analysis made of the situation in British Columbia generally and in Vancouver particularly with reference to the further construction of armouries and whatever works of defence may be necessary.

Mr. SUTHERLAND: I am very glad to hear the remarks of the hon. member, and I appreciate the way he has spoken about the Seaforth Highlanders of Vancouver. Undoubtedly they are one of our best regiments, and they have a splendid history behind them. We in the department appreciate the strong claims they have at the present time for better accommodation; personally I think I would rank their claim above that of any other unit in Canada. For a number of years they have been in quarters that are not satisfactory, but in spite of that their loyalty and support have been magnificent. During the last two or three years, and in fact ever since I have been in the department, approaches

have been made with regard to better accommodation.

When I came into office I found Vancouver in a particularly bad situation. The hon. gentleman has referred to the cavalry and artillery, and the condition in which their building was maintained. I think it would be generally regarded that their claim was very strong, because the quarters were condemned and were absolutely unsafe for the storage of valuable goods. So they took precedence, but all during these years we have been in negotiation with the Seaforth Highlanders. The only thing I can say, of course, is that I have every sympathy for their claim, and if it is possible to meet their wishes I shall be glad to do everything I can; for in meeting their wishes we will be working for the good of the country as a whole.

Mr. HANBURY: Would the minister refer also to the unit, the name of which has slipped my mind, which is located in the eastern portion of Vancouver? They are in rented quarters also. Perhaps if the Minister of Public Works referred to his notes he could tell us the name of the unit.

Mr. SUTHERLAND: I think that is what is called the Irish regiment.

Mr. HANBURY: I wish to place myself on record as supporting their claims also.

Mr. SUTHERLAND: Of course it would be absolutely impossible to provide new accommodation in both cases. When I was in Vancouver last I saw the accommodation provided for the Irish regiment, and while it may leave something to be desired, undoubtedly their case does not approach that of the Seaforth Highlanders.

Mr. MacINNIS: The hon. member for Vancouver-Burrard has raised a question which no doubt is very important in a way, or which at least has to do with a very important principle. To-day I believe that so far as the danger of war is concerned the world is in a more critical situation than it has been at any time since the great war broke out in 1914. But one thing is very clear, and it is that those nations which are arming the most and spending the greatest sums on armaments are the nations who fear war the most. Those nations of Europe that have decided to disarm are not afraid of war breaking out or of being invaded by armed forces, but the nations which are arming to the teeth are constantly in fear of armed invasion.

Recently, Mr. Chairman, the leaders of the three parties in the Dominion of Canada, the Prime Minister, the leader of the opposition and the president of the Cooperative Commonwealth Federation, made an appeal for peace and disarmament, expressing their hope that everything possible would be done to promote peace. I am convinced that Canada cannot arm either for offence or defence to any effective extent, for the obvious reason that we have not the means. Even if we had the means I believe it would be useless for us to attempt it, and I hope that neither my good friend the Minister of Public Works nor the Minister of National Defence will take any steps to give us further armaments in the city of Vancouver or on the Pacific coast. If we have money to spend I can bring to the attention of the government many ways in which they can spend money to far better advantage than in training soldiers and building armouries. I can show them how they can spend money on the health and education of the children of the city of Vancouver, who are very much neglected at the present time. I pointed out a few days ago when speaking in this house that the municipal inspector of schools in the city of Vancouver stated that the annual report showed there were 4,000 children in the city of Vancouver alone who needed dental care. He stated further that it was through lack of funds that such care could not be provided. Surely, when a necessity of this kind is evident, it is madness to go on spending money on useless armaments or anything to promote or encourage warfare, when far more pressing things are waiting to be done. It is necessary that we should do everything possible to promote our security, but I am convinced that that can be done in other ways, more efficiently than it can be done by building armouries, or anything of that kind, not only in the city of Vancouver but anywhere in the Dominion of Canada.

Mr. HANSON (Skeena): Under the heading of public buildings for British Columbia I should like once more to remind the minister and the government about the situation in Prince Rupert. We have a building at that point which, as I have stated before, would not make a satisfactory barn on a farm. I had before me a few days previously figures showing that at that point we collect hundreds of thousands of dollars for the federal treasury. I know as a fact that in cold weather the employees in the building have to go home because of the unsatisfactory condition of the building in which they

are working. It is absolutely necessary that the Minister of Public Works and the government should look into this matter.

May I mention, further, that we have a provincial building which cost $500,000, but their collections are insignificant when compared with those of the federal authorities. I know that the minister has full information, because I have sent it to him myself. He has been approached, also, by the board of trade and different organizations of Prince Rupert. I should like him to assure me that he is looking into the conditions and trying to find a remedy.

Mr. STEWART (Leeds): From time to time I have received representations from the hon. gentleman concerning the building in the city of Prince Rupert. He must recognize the fact that we have curtailed our program, and that there is practically no provision for new buildings. I assure him, however, that the requirements of Prince Rupert will not be overlooked when again we reach our stride.

Mr. HANSON (Skeena): It may be possible that the work could be done under the new public works program about which we have heard. It may be that the minister cannot say anything about it as yet, but we have heard that there is to be a relief scheme in connection with which there will be certain public works, and I am suggesting that probably it would be possible to have something done under that scheme.

Mr. STEWART (Leeds): It will not be overlooked in that connection either. Would you allow me, Mr. Chairman, as we have been speaking about armouries, to refer to the point raised by the hon. member for Toronto Northwest (Mr. MacNicol) concerning the specifications for the materials in the armouries at Toronto. I have a copy of the general conditions and specifications for work and material for the fourteenth infantry brigade armoury at Toronto, Canada. The architects are Marani, Lawson and Morris, and on page 21, clause 10, I find the following:

All materials of whatever nature used throughout in the execution of this contract shall be new and of the best quality of their several kinds and must be Canadian and of Canadian manufacture unless the architect is convinced that they cannot be obtained or manufactured in Canada. In every case where a contractor submits for approval materials of any nature other than Canadian origin of the material desired to be used must be stated. The architect will give first preference to the material of Canadian production or manufacture and where materials of Canadian production or manufacture are not obtainable preference will be given to materials of British production or manufacture. No defective, unsound or improper materials worked or otherwise shall be brought to the premises or used in the building. Materials adjudged as such by the architect must be replaced upon demand.

I think that covers the question raised by the hon. member.

Mr. MacNICOL: I am grateful to the minister for reading the specifications. When I received information which apparently was more or less erroneous, namely that the specifications did not call for all Canadian manufacture, I went down to the department and discussed this very subject with the departmental officials. They informed me that the specifications pertaining to armouries built along the plans of this one,—that is, not by the department itself but by outside architects, and with the same financial set up as these armouries have—did not contain such a clause. It was on the information which I received from the department itself that I raised the question to-day. I now have pleasure in congratulating the minister upon seeing to it that the specifications do contain those regulations.

Mr. HANBURY: I should like to obtain some information from the minister with reference to the addition to the post office contemplated to the north of the present post office building in the city of Vancouver. Could the minister give any information in that connection?

Mr. STEWART (Leeds): We have no vote for or plans drafted for that building. It will receive consideration in any program which may be brought down for public works.

Mr. HANBURY: On the suggestion of the minister that it will receive consideration I should like to suggest to him that when plans are being made for that addition they should be prepared for a complete building, and that it should not be simply an addition or a repair job. The present post office building does not lend itself to an addition. I would suggest that an addition, when being planned, should provide for the eventual tearing down of the present post office building and, at a later date, the tearing down of the Winch building, and making the building uniform. In connection with the contemplated building I would remind the minister of the large amount of money being expended by the government for the rental of space in the city of Vancouver, and I would suggest to him that, if public works do carry themselves, an extension to the post office building in Vancouver would probably go farther towards carrying

itself than many other buildings which might be considered. I hope the government will give very careful consideration to the matter.

Item agreed to.

Mr. RALSTON: Would there be any objection to calling item 106?

Mr. STEWART (Leeds): There was some objection.

Mr. RALSTON: Very well.

The CHAIRMAN (Mr. MacNicol): We will proceed to item 99:

Manitoba—Dominion public buildings—improvements and repairs, $15,000.

Mr. VENIOT: Will the minister give details in regard to this item?

Mr. STEWART (Leeds): This is the same type of item as we have had for other provinces to cover repairs that may be required. I have no particulars. The amount is the same as we expended last year for similar purposes. I do not know where the money will be expended at all; it will depend upon the needs.

Mr. BROWN: I should like to propose a method whereby I think public money could be very profitably expended in the construction of public buildings. I brought this matter to the attention of the predecessor of the present minister. In many places where public buildings have been constructed by the Dominion government, the buildings have been too elaborate costing sometimes $25,000 or $30,000 or $40,000 for a small community, and it has been suggested to me that instead of spending $25,000 or more we could spend $5,000 or $10,000 in the construction of a smaller building, and in that way the work and the money would be distributed much more widely. In our province there are places where land was acquired as a site for a public building as long as twenty years ago, and where nothing has been done to erect the public building. I have in mind two fairly large towns in my constituency which need public buildings and which I think are entitled to them, and from one of them the suggestion has come to me that a public building such as I have mentioned costing a comparatively small sum would meet the needs of the case. Larger buildings constructed on a more elaborate scale, with special heating plant and so forth, of necessity require a caretaker, but a smaller building such as I am now suggesting could be taken care of by the postmaster himself and would meet the needs of the case. It would be cheaper not only in its original cost but in maintenance charges as well.

I do not know what may be included in the government's program of public works. There is nothing in the main estimates for public buildings in the western provinces, perhaps not in the other provinces, but I do not see why the contemplated program of public works should not include the construction of public buildings, and if comparatively small buildings such as I have mentioned were erected, which would perfectly well serve the needs of many communities, the work could be very much more widely distributed and local men would in a large measure be employed.

As to the question of material to be used in these buildings, in the absence of my hon. friend from Weyburn (Mr. Young) it almost devolves upon me to advance a point that I am sure he would advance if he were here, that some consideration might possibly be given to the revenues of the country which would be swelled if outside material were used. There is always a danger of overemphasizing the desirability of using only Canadian material. There is just the possibility that while that may be to the immediate advantage of some buisness concerns, the general interest of the country might suffer if the difference in cost is too great because that would simply come back on the taxpayers of this dominion.

I had a suggestion come to me the other day from a man in the west which might be considered radical, if not extreme, and that is that in the case of public buildings the material should be constructed. That may seem an extreme suggestion, and yet it sets forth a point of view which I think ought to be considered. In the past objection has been made that a large proportion of the money spent on relief works did not go directly to the relief of the unemployed, that too great a proportion went for material. Of course, we know that in the preparation of the materials used in these buildings other men are employed, but is it not just possible that the men employed in these other industries were not as much in need of relief as the men who were doing the actual work on the relief undertaking, public building or whatever it might have been? I think some consideration must be given to that phase of the matter. Naturally we want to see all businesses prosper, but consideration should be given to the point of view that a larger amount of money should be directed to the relief of those in actual need.

I hope that the minister will give consideration to these points and to the desirability of constructing not such elaborate buildings as have been constructed in the past, but buildings on a more modest scale that would perfectly well meet the need of many of the smaller communities to which they would be a source of pride.

Mr. BEAUBIEN: I just want to offer a word or two to the genial Minister of Public Works. I do not thing that in this item the minister is breaking his heart by being too generous. May I suggest to him that when this contemplated program of $50,000,000 or more is put into effect he open his heart to the province of Manitoba and give it its just share of public works?

Mr. STEWART (Leeds): I think it is really the purse, not the heart, that my hon. friend wants opened. With respect to the suggestion of my hon. friend from Lisgar (Mr. Brown) the problem of providing public buildings in these smaller places is a difficult one. I find that the smaller places are rather ambitious to have pretty good looking and expensive buildings.

Mr. DUFF: So are small men.

Mr. STEWART (Leeds): Quite so, and big ones too sometimes.

Mr. BROWN: But they are more prepared to recognize the situation now than they have been in the past.

Mr. STEWART (Leeds): The policy has to be very carefully considered in these times of stringency and difficulty, particularly as these buildings are paid for out of revenues. In the smaller places we are rather inclined to encourage the construction of community halls or the rental of a suitable place in a public building constructed by a municipality. We can afford to be pretty generous in the matter of rentals and at the same time get suitable accommodation much cheaper than by providing a building of our own, and I say that the time has come when economy is necessary in the construction of these public buildings. In many of these small communities buildings that were constructed for other purposes, banks and so on, are being offered to us at very reasonable prices, and other buildings that are not now in use, stores and so forth, can be purchased much cheaper than we can construct buildings, which of course involve after their construction an annual charge for maintenance, heating, etc. So the problem is not as easy or as simple as it looks on the surface.

[Mr. Brown.]

Mr. COOTE: I am sure the minister will find quite a lot of bank buildings in towns in western Canada that he could buy. The banks seem to have gone out of the banking business and will no doubt be glad to get rid of some of their buildings if they can get the Dominion government to buy them.

Mr. STEWART (Edmonton): Ours was sold for a church.

Mr. COOTE: I think the suggestion which has been made by the hon. member for Lisgar is a very good one. There are many towns in Canada which should have public buildings in which to house a post office but do not need buildings costing from $20,000 to $25,000. A couple of years ago I went to the trouble of obtaining from the officials of the Alberta government plans for telephone buildings which had been erected in that province. In many cases these buildings had cost only $6,000, $7,000 or $8,000, and a similar building would be quite large enough for a post office. When the minister is considering the public works program for Alberta I hope he will remember that very little has been done in the three prairie provinces in the way of the erection of public buildings. I do not intend to ask for the amounts spent in the various provinces by his department, but if he will go back as far as confederation I know he will find that the amounts spent in the three western provinces do not begin to compare with what has been spent in other provinces.

We do need public buildings in many places but I like the suggestion made by the minister that certain towns might put up community halls in which could be provided suitable space for a post office. I again offer the same suggestion that I made two years ago that in many places the federal and provincial governments should cooperate in the erection of public buildings. Such a building could house the telephone office and post office, and perhaps one or two other government offices. The building could be taken care of by one janitor, it would be cheaper for everybody and would provide better accommodation for the public. There are some places where this could be done, and I think in this respect there should be cooperation between the federal and provincial governments.

I hope the minister presses his suggestion in connection with the erection of community halls in the smaller places. There are many places which need such accommodation. In my own constituency I believe there is only one public building, but I speak subject to correction. I have received requests from three towns for post office buildings, and they are needed badly in each case. I am putting

these facts forward in order that the minister can assure the government that there is a real need for the construction of public buildings in various places in Canada. I am sure that nearly every hon. member could tell the minister of places where a public building is needed. I shall be glad to furnish him with a list of the places in my constituency. I remember asking a former minister of public works how much he could spend if a public building was erected in every place where the citizens had asked for it, and he replied that while he had not made an estimate, he thought he could spend well over $100,000,000.

Mr. HANBURY: You would have to inflate the currency.

Mr. COOTE: That would not be a very dangerous inflation, seeing that we have been deflated in currency and credit to the extent of about $700,000,000. Without saying anything more, I urge the minister to present to the other members of the cabinet the requests for public buildings which I am sure he has filed in his office. I take it for granted that most of these requests are warranted.

Item agreed to.

Harbours and rivers—Nova Scotia—under contract—Cow Bay (Port Morien)—breakwater replacement, $17,000.

Yarmouth harbour—dredging, $41,000.

Essential undertakings—

Blandford — breakwater-wharf replacement, $4,500.

Black Point—harbour protection, $3,600.

Broad Cove Marsh — breakwater-wharf replacement, $12,500.

Halifax—repairs to wharfs and replacement of machine shop at R.C.N. barracks and H.M.C. dockyards, $25,000.

Phinneys Green—wharf, $4,900.

Port Dufferin (John Vogler's shore)—breakwater, $4,900.

Port Mouton — breakwater replacement, $6,900.

Trout cove (Centreville)—breakwater extension, $4,200.

Harbours and rivers generally—for maintenance of services, no new work to be undertaken, $225,000.

Mr. RALSTON: I should like to direct the minister's attention to a number of very modest projects which are needed in my province. Most of these are known already to him, either by letter or by personal interview. I should like to gather them up together and put them before him at this time, as most of them come within the terms of the blanket vote for "harbours and rivers generally, for maintenance of services, no new works to be undertaken." These facilities are urgently needed in connection with the fishing industry, particularly the activities of the shore fishermen. They are needed for the purpose of providing safe landing for boats, protection and shelter, and for convenience. That is to say, with the proper facilities the men would not need to leave on the tide an hour or two earlier than they must do at present. With a proper wharf or breakwater the men would be able to have their boats afloat and leave at a later hour. I might say to the minister that these men leave at three, four and five o'clock in the morning and if there are no facilities, they have to return on the tide. Sometimes this return is under pretty strenuous conditions when rough weather happens to kick up while they are out.

The first project is the completion of some work already undertaken at West Baccaro. There was a breakwater and boat harbour there which served this community which is down on the most southerly and westerly point of Nova Scotia at Cape Sable. The activities of this community are confined almost exclusively to fishing, both lobster and fresh. A boat harbour and breakwater is essential and these facilities have been destroyed or injured by storms. I believe the minister has a report in connection with this matter, as some work has been done already.

The total amount needed to complete the projects I have in mind would not amount to a quarter of what we have just voted for military buildings. The vote for military buildings totals about $100,000. There are items which cannot be deleted because they are under contract, but the people do not understand why these large amounts should be voted for such projects when they cannot get the modest sum needed to provide them with very necessary facilities.

The next item is the extension to the breakwater at the west end of upper Surette island. This is another fishing community, and a breakwater would be of great service to the people. The next is repairs to the public wharf and extension of the breakwater at Shag Harbour. When we speak of breakwaters we generally think of them as being large projects, but the one needed at Shag Harbour would be a modest affair and could be carried out with the expenditure of comparatively few dollars. A little dredging is needed at The Hawk and this could be done with departmental dredge, number sixteen. This community is located on Cape Sable island out near Clarke's Harbour, well out in the Atlantic, and the protection is needed for the fishermen. A breakwater was built at Louishead in 1887 but it has been practically demolished. This is a fishing community and the destruction of that facility has proven

to be a very serious matter to the people. Some work has been done at Lower East Pubnico, and I should like the minister to carry it on and provide the necessary facilities for this community. The fishermen now find it necessary to go a long distance to the fishing grounds and this facility would prove of great help. Another matter is the building of a road between the landing and the light on Bon Portage island. This would require an expenditure of only a few hundred dollars.

These requests are very modest but they are in the interests of the fishermen. They are needed for the carrying on of their activities and the expenditure of this money would assist in providing employment. It would not be in the nature of direct relief, because it would provide a facility which is as nearly self-liquidating as anything could be; that is to say, it would assist people in carrying on their ordinary vocations. I do urge on the minister favourable consideration of these matters, either in connection with this vote or in connection with whatever program of public works for relief may be carried on. These are not relief projects the utility of which is questionable; they will provide a useful addition to the equipment of these people for carrying on their work.

There are three more or less major projects and these have to come within the relief vote, or at least a supplementary estimate for public works. First there is the need of a facility at Lockeport, the money for which was voted some three or four years ago. The contract was let, but that was cancelled after this government came in. That money was intended for the provision of some sort of suitable facility in Lockeport harbour to afford protection for boats as well as protection for the shore owing to the situation there due to the action of the sea. The fishermen down there have got together in reference to this facility and have determined that this is what would be best—because there has been a good deal of confusion and difference of opinion. The practically unanimous decision is for some sort of substantial piece of blocking, not necessarily attached to the shore, which would probably be the most suitable facility for protecting the boats there.

Another needed improvement is a wharf at Yarmouth, with regard to which representations have recently been made to the Minister of Finance and probably direct to the minister as well. That is a major work. Yarmouth is an important port. There is no public wharf there, but there are a number of private wharves, and the provision of a public wharf would afford employment to men there and would encourage a thriving port which does a great deal of business. It would be to the advantage not only of that section of the country as well as of the whole province of Nova Scotia, but of the country at large, because it is essentially a Canadian port. There are more passengers in and out that port throughout the year than in any other port in Canada. Hon. members may be surprised at that, but owing to the Boston and New York services you will find that the passenger service there is greater throughout the year than in any other Canadian port including Montreal, Halifax and Vancouver.

The other major item is the completion of a breakwater at Port Maitland, a facility which has been needed by the fishermen and the provision of which, so far as it has been constructed, has been of great benefit, having practically provided a harbour where otherwise there would have been open shore, and where a very large fishing industry is prosecuted, both in fresh fish and in lobster.

I commend these three items to the minister, not in connection with this particular vote but in connection with a supplementary vote or in connection with any program which may be instituted by this government in the way of public works for relief purposes.

Mr. STEWART (Leeds): As I recall, nearly all these items have been the subject of correspondence and representation in the recent past. It will be seen that the vote has been reduced from last year and it covers the whole of the province. We shall have to take into consideration the demands and requirements of other sections and try to harmonize them, doing the best we can. I am glad that the hon. gentleman has collected them all together and summarized the situation, and I shall give consideration to the larger projects in connection with any program of public works that may be determined.

Mr. RALSTON: The small ones are needed as much as the large items, but I thought they might be taken care of in connection with the general item.

Mr. STEWART (Leeds): It is no exaggeration to say that there are hundreds of similar requests, and we shall have to do the best we can for all sections.

Mr. DUFF: I am rather disappointed in the minister's answer to the hon. member for Shelburne-Yarmouth (Mr. Ralston). He admitted that the vote was smaller this year than it was last year. That is quite correct, and that is the sad part; it shows the way this government has been carrying on the affairs of the country. I hold in my hand

the estimates for 1934, and it will be seen by those estimates that for Nova Scotia, in 1933-34, there was voted a sum of $417,900. This year, as the minister apologetically admits, that item has been reduced to $349,500.

We hear a good deal about turning the corner and about prosperity being in the offing, but this does not look like it. I want particularly to sympathize with my good friends the Conservative members from Nova Scotia. How they can sit in their seats and allow the Minister of Public Works of this government to bring down these few small items for that province is beyond my comprehension. So far as my own constituency is concerned, if I were speaking politically I would congratulate the government upon every item left out for that constituency. There is not an item this year; there was not one last year, and there has not been one since this Tory government came into power. Not one dollar has been spent regularly under the department's estimates. It is true that certain items were spent by virtue of the subterfuge known as relief; and the expenditure of relief money by this government in the matter of public works is a disgrace to Nova Scotia. What have we in these estimates? Take the county of Pictou, represented by my good friend opposite. I cannot understand how he can sit in his place and control himself. There is not one dollar for the great county of Pictou. Look back to 1930, or 1929, or 1928, or go back to any of the years to 1922; every year during that period there appeared in the estimates for public works in that county, not thousands nor ten of thousands but hundreds of thousands of dollars. Those were the sums voted for Pictou, the greatest county in Nova Scotia, yes, in the Dominion of Canada, a county which has sent more men than any other county in Canada to the parliament of this dominion, a county which has produced more clergymen and professional men, doctors and lawyers, than any other. And yet, with this government in power and my good friend opposite representing the county—I am sure he must have tried to impress his views upon the minister—there is not one dollar for that county. I do not know whether my hon. friend hopes to get to the Senate, but there is some reason why he sits silent. Take other parts of the great province of Nova Scotia. There is a small vote for Cow Bay, the great district of south Cape Breton. Under the last government, as the minister will find if he looks up the records, there was voted for south Cape Breton alone in 1929 the sum of $125,000; yet under this government, who tell us that they have turned the corner, that prosperity is coming to this country, all they provide for that district is $17,000. And the joke is that this is a revote; it is not money voted this year but money that has been voted for the last two years. Let us take my own great county, where I live and move and have my being, the county of Lunenburg. In these estimates all I find for the whole county, having regard to what the hon. member for Shelburne-Yarmouth says about the fishing industry, is $4,500. Is that the way to treat the fishermen of that portion of Nova Scotia? Does the minister expect that they can pursue their vocation, bringing treasure from the sea and thus building up this country, with an expenditure of only $4,500?

Take the constituency of Cumberland represented by my hon. friend opposite: Is there a dollar for Malagash? No. Yet I know he has gone to the minister and asked that the harbour of Malagash be deepened so that ships can enter there, load salt and deliver it to the fishermen along the coasts of the maritime provinces and Newfoundland. Not a dollar for Malagash in the Nova Scotia estimates. This is another example of "peanut money," and this very estimate of the government is the greatest condemnation of it. As my leader and others have said, the best thing the government can do if they cannot find more money for Nova Scotia for public works such as harbours and rivers, repairs and improvements, than the small items which appear in the estimates, the quicker they resign and let others take charge of the affairs of the country, the better.

Mr. STANLEY: Where is Lunenburg?

Mr. DUFF: I say to my hon. friend he does not know his geography. The government have put in the estimates only $4,500 for the whole county of Lunenburg, one of the greatest fishing areas not only in Nova Scotia but in the Dominion of Canada. All that the government, on account of mismanagement, on account of the fact that they are strangling trade and not trying to do anything for the Canadian people, can put in the estimates for that great county is $4,500. The same policy applies to everything else. I notice in the item of harbours and rivers generally, a reduction of $50,000. Last year the item was $275,000; the year before, if I remember correctly, it was $325,000; in 1930 it was $400,000. I am sorry my good friend the Minister of Finance is not present. He at least should have got something for his county in Nova Scotia. but in the estimates there is not one

dollar for the constituency represented by him. This government is riding for a fall as far as Nova Scotia is concerned. I am sorry for my Conservative friends opposite; they should have some influence with the government because they are all strong, silent men, especially silent; but they sit quietly in their seats and allow the Minister of Public Works and the government to bring down these estimates, only five out of twenty counties in Nova Scotia being given a single dollar to try to encourage the fishermen and other businessmen of that great province. This is a shame and a crime. Of course it may be possible that my friend the junior member for Halifax, the hon. member for Pictou, the hon. member for Cumberland, the hon. member for Cape Breton South and the others are being lulled to sleep by the Minister of Public Works or the Prime Minister because perhaps they have been promised part of this $50,000,000 which it is rumoured is to be voted for public works. Why not come out into the open? If we are going to vote that large amount, a portion of which Nova Scotia must get, why not put the items in the estimates?

As far as my county is concerned, politically the less money the government insert in the estimates, the better I like it, because every knock is a boost; every dollar they do not appropriate, means that I shall get more votes in that constituency and I thank the Minister of Public Works and the government for not spending a dollar there, because in the last fortnight I have been receiving letters from Tories as well as Grits saying that when the next election takes place they will give me a greater majority than ever before.

Mr. STEWART (Leeds): There is just one interpretation that I can place upon the remarks of the hon. gentleman: I am forced to the conclusion that his appreciation of the people of Nova Scotia is that they vote according to the amount of money spent in their constituencies.

Mr. DUFF: Is the hon. member for Pictou going to stand for that?

Mr. STEWART (Leeds): I do not think that is a fair representation of the intelligence, the patriotism, of the people of Nova Scotia; it is a reflection upon them which they will resent very keenly when they come to cast their votes. Further, has my hon. friend not heard from his own side of the house a demand for economy throughout the country, for balanced budgets? He would disregard all that and say that this is the time when we should go out with open hands and spend money in the high, wide and handsome way in which his friends spent it, which expenditures unfortunately have seriously curtailed the revenues that are at the disposal of the government at this time. We are forced because of some of the reckless extravagances of the hon. gentleman's friends—

Some hon. MEMBERS: Oh, oh!

Mr. STEWART (Leeds): It is so.

Mr. RALSTON: The hon. member's party spent more than we did.

Mr. STEWART (Leeds): My hon. friend knows quite well and no member knows better than he does the expenditures in connection with the Canadian National Railways have seriously handicapped the present government.

Mr. VENIOT: The hon. member agreed to them.

Mr. STEWART (Leeds): No.

Mr. VENIOT: He accepted every one of them.

Mr. STEWART (Leeds): Those expenditures made a serious inroad upon the revenues of this country, and as my hon. friend knows, these expenditures on public works are paid out of revenue and not from borrowings. If we accepted his contention, the budget instead of approaching balancing would be very much more in deficit than it is. Surely he does not consider a policy of that kind in these times of general depression is sound or one that any sane government would adopt.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 11, respecting Prudential Trust Company Limited—Mr. Bell (St. Antoine).

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Smoke in the chair.

Harbours and rivers—Nova Scotia—under contract—Cow Bay (Port Morien)—breakwater replacement, $17,000.

Yarmouth harbour—dredging, $41,000.

Essential undertakings —

Blandford — breakwater-wharf replacement, $4,500.

Black Point—harbour protection, $3,600.

Broad Cove Marsh — breakwater-wharf replacement, $12,500.

Halifax—repairs to wharfs and replacement of machine shop at R.C.N. barracks and H.M.C. dockyards, $25,000.

Phinney's Green—wharf, $4,900.

Port Dufferin (John Vogler's shore)—breakwater, $4,900.

Port Mouton — breakwater replacement, $6,900.

Trout cove (Centreville)—breakwater extension, $4,200.

Harbours and rivers generally—for maintenance of services, no new work to be undertaken, $225,000.

Mr. DUFF: When the committee rose at six o'clock the minister had just stated, if I understood him correctly, that the reason this small amount was placed in the main estimates for the province of Nova Scotia was that this money had to come out of revenue, and that he had to economize because the affairs of this country were in such bad shape when the government took office. I will admit that I am getting old, Mr. Chairman, and that I am old-fashioned; I am willing to admit that my memory is bad, but I do not ask you to take my word. If you look at the votes and proceedings or Hansard or the public accounts for 1929 and 1930 you will see that when the budget was brought down in 1930 the Liberal government had a surplus over expenditures of some $82,000,000. So I do not see why to-day, after this government has been in power for four years and my hon. friend has been Minister of Public Works for that length of time, he should say that they can only spend this small sum of money in the great province of Nova Scotia because of the condition of affairs when they took office. Let me remind the minister that Nova Scotia is one of the maritime provinces, a province whose men go down to the sea in ships and do business in the great waters. The expenditure in that province has been reduced year by year so that now it is down to a minimum, and the minister says the reason is the policy of the government previous to 1930.

The minister was not satisfied with that; he had to drag in the railway question. He stated that the fact that the Liberal government had spent money on the railways of this country was another reason why he had to economize in his expenditures on public works. Well, sir, I do not want to go outside of the items under consideration, but the expenditure on railways had or has nothing to do with the expenditure on harbours and rivers. We all know, however, that when the Liberal party took charge of this country we had only two streaks of rust from Vancouver to Halifax, and that by their policy the Liberal party built up a railway in this country. In 1921 the deficit on the railways amounted to $90,000,000, but when the Liberal party went out of office the railways were practically paying their own way. With a Conservative majority in the Senate and a Liberal majority in this parliament we could ask for the construction of the Sunnybrae-Guysborough branch line. Therefore I say that the minister should not try to camouflage the fact that so little money is spent either in the province of Nova Scotia or elsewhere, because the same condition applies in every province. Why should the minister drag in the railway question or the fact that these amounts of money must be spent out of revenue?

I do not want to go into details, Mr. Chairman, but the minister should not pretend that this bluebook sets out all the money that is to be voted for public works; the Minister of Public Works knows the details better than I do, and he knows that in the last three or four years tens and hundreds of thousands of dollars have been spent on public works by way of relief. I have no hesitation in saying that, so far as the province of Nova Scotia is concerned, in a large measure that money was wasted and never reached the people who should have received that so-called relief.

Before six o'clock my hon. friend tried to make out that this vote is small because the revenue is small. Who is to blame because the revenue is not greater? That is entirely due to the policies of this government. My hon. friend knows that in 1928, 1929 and 1930 the revenues of this country were expanding; he knows that in 1930 we had a surplus of $82,000,000, as I said before. The minister knows that trade has decreased under this government by at least seventy-five per cent. My hon. friend and his associates have so restricted Canada's trade that I cannot blame him for reducing expenditures. I pity him. I pity members of the government because they have not seen the necessity for expanding our trade but instead, in order to satisfy certain interests within their own ranks, have endeavoured to restrict trade. As a result trade has dropped, and instead of having a total trade of over two billion dollars as under the Liberal government we have the condition with which we are only too familiar, both in regard to our trade with Great Britain and our trade with foreign countries. That is the reason the minister has to go to the council and to the treasury board and receive this little pittance for his department. I want to say to my hon. friends opposite that so far as the public works of this country are concerned, and so far as the maritime provinces, those great provinces of New Brunswick,

Prince Edward Island and Nova Scotia are concerned, we bring new money into this country every year. We go down to the sea and every dollar that we bring in from it is new money which is spent in this country, money which we derive from foreign countries—money for the produce which we take from the sea and export. I want to say to my hon. friends opposite that to-day we have a situation in Nova Scotia due mostly to the actions and policies of this government whereby we are so constricted and handicapped that the people of the province of Nova Scotia, in the fishing section of this country, are practically starving. Again I appeal to the hon. member for Pictou, again to the hon. members for Halifax, and to the hon. member for Cape Breton North-Victoria who will no doubt agree with me that the greatest fishing area in his native province borders his own constituency. I appeal to the hon. member for Digby-Annapolis and to every other hon. member from the province of Nova Scotia, and I say to them, "unite." I say that because I have no influence with this government—I do not want to have. Unite among yourselves and show the government that there is a great opportunity in the province of Nova Scotia, that there is connected with that province the greatest natural resource of this country—the fishing industry. How are hon. members going to improve the conditions when they vote—well, how much do they vote for my hon. friend's constituency? How much do they vote? Let me see, now—not a dollar for Annapolis-Digby, not a dollar for Cape Breton North-Victoria—not a dollar in the estimates. There is nothing in the estimates for Cumberland.

Mr. SMITH (Cumberland): I beg your pardon; there is.

Mr. DUFF: Where is it? Is the hon. member referring to Phinneys Green?

Mr. SMITH (Cumberland): Yes.

Mr. DUFF: Yes, $4,900 for the great county of Cumberland. When the hon. member for Cumberland sat in this parliament with a Liberal government in power between the years 1925 and 1929 what did the estimates show, despite the fact that he was sitting in the opposition?

Mr. SMITH (Cumberland): When my hon. friend has completed his remarks I shall tell him what this government has done for the county of Cumberland by way of public expenditures.

[Mr. Duff.]

Mr. DUFF: Probably the hon. member will wait until I have finished.

Mr. SMITH (Cumberland): I will wait.

Mr. DUFF: I say that my hon. friend must admit that when he sat in opposition to the government the Liberal party certainly made greater provision in the estimates for the county of Cumberland than is made to-day.

Mr. SMITH (Cumberland): I do not admit that, and I do not think it is true.

Mr. DUFF: Perhaps I had better send for the estimates. The fact remains that although the hon. member is an influential member in the party opposite all he can get in the main estimates for his own county is $4,900. I say this, that we can never expect the province of Nova Scotia to get out of its present condition, and never expect any part of that province to get anything when the government is willing to spend only the small amount appearing in the estimates before us.

Mr. JOHNSTONE: Mr. Chairman, since my hon. friend speaks about estimates, may I say that the estimates are given by the district engineer in Cape Breton, but there is nothing in them for Cape Breton North. But the district engineer is allowed so much and that money is distributed between the counties of Cape Breton North and Victoria.

Mr. DUFF: I am very glad the hon. member for Cape Breton North-Victoria has called that fact to my attention, because I had intended to deal with it. With that in mind I shall ask the minister to give the committee the list of estimates submitted to him and his department by the engineering branch of the province of Nova Scotia. I know that not only he but every other member in this House of Commons from Nova Scotia has submitted recommendations to the engineering department of the province, and the result is found in these paltry amounts appearing in the estimates. I should like the minister to give us the recommendations sent to him from the engineering department at Halifax.

Mr. STEWART (Leeds): Mr. Chairman, the hon. member must know that I have not that information with me; I do not carry it with me. I have only the information as to the estimates presented to the committee.

Mr. DUFF: I shall ask the minister to get it before the amount is voted.

Mr. BENNETT: It is not producible.

Mr. SMITH (Cumberland): I had not expected to delay the passage of the minister's estimates, but because of the vociferous and stormy denunciation of the government we heard shortly before rising at six o'clock I think that in the interest of accuracy it would not be amiss for me to say a few words with special reference to the county I have the honour to represent in this house. I should not want the house to interpret my remarks to mean that I am perfectly satisfied that everything has been done that should be done with respect to public expenditures in the county of Cumberland or in the province of Nova Scotia. Furthermore I unhesitatingly say we anticipate that other expenditures will be made, perhaps in the very near future, which will more than make up for any delinquency there may be in the vote now before the committee.

In less than two years after this government took office upwards of $100,000 was expended on public works in the county of Cumberland. The money was spent on wharves, harbours, harbour improvements, breakwaters, public buildings and other public services. In a period of less than three years that expenditure has amounted to upwards of $130,000. If the hon. member for Antigonish-Guysborough reads the papers I feel sure he will have observed that within the last ten days, through governmental action there has been given to one of the industries in the town of Amherst, which is in the county of Cumberland, a contract for upwards of half a million dollars. That money will be expended to the benefit of the town and the people living therein, and will in a measure help to relieve the unemployment problem with which we are faced. Another firm in the constituency of Pictou has been given a contract of upwards of half a million dollars as well. I have not all the figures before me concerning expenditures in the province of Nova Scotia, but I have figures for one or two counties where expenditures have been made since July, 1930. I find that in the constituency of Digby-Annapolis over $600,000 has been expended. In order to be fair to the committee I should say that $250,000 or $300,000 of that was voted before the change of government. In the county of Halifax approximately one half million dollars has been expended. As I say, I have not had time to secure the amounts for the other counties in Nova Scotia, but I do assert that in the main the expenditures by this government since August of 1930 have been just as great relatively speaking as those made in the past by any government in Ottawa. I do not think that we have any reason whatever to complain of the treatment accorded by this government. I should like to repeat before I sit down, as I said at the beginning, that I do not wish my remarks to be interpreted to mean that we are completely satisfied with everything, and that we feel that everything has been secured which we need. Far from that, but I do say that under the stress of world conditions the government has dealt fairly with us, so far as the expenditure of public money in the province of Nova Scotia is concerned.

Mr. CANTLEY: Mr. Chairman, I should like my deep-water friend, the commodore of the Lunenburg fleet, who with the full consent of all the great powers still maintains his position as Lord High Admiral of the LaHave, Georges and Grand Banks, to know how fully I appreciate his self-sacrificing, disinterested and forceful expression of interest in my constituency. The member for Antigonish-Guysborough (Mr. Duff) was most flattering in his references to my native county—all in good taste, and all within the strict bounds of truth. My gallant friend, however, in his zeal to berate the government, forgot for the moment that later we shall have supplementary estimates before us; also that old adage that all things come to those who wait. But may I also remind my hon. friend that if he will refer to the full list of public works in the county of Pictou receiving assistance at this time and be content to await the incoming supplementary tide he may perhaps then see that the county of Pictou is still floating in high water. If his constituency be not then equally fortunate I can assure him that he will have as sincere, if less vigorous an expression of my sympathy. That is all I can do for him under the circumstances.

Mr. JOHNSTONE: So far as the county of Cape Breton North-Victoria which I have the honour to represent is concerned, while we have not got just what we would like, I must say that during the last year the Public Works department have spent over $150,000 in developing the natural resources in my constituency. They have developed there a gypsum mine which has been one of the most important events in the history of the county, and all this has been done in the last two years. Before that, for many years we had been trying in vain to get a breakwater built. Within the last two years this government has spent over $125,000 on the breakwater alone. The development of the gypsum mine I spoke of is a great contribution to the solution of the problem of unemployment. The solution of that problem lies in the creation of new

industries to provide work, and at this mine at Dingwall there is now employed a great number of men, and the mine is shipping gypsum not only to Canada, but, as the president, Mr. MacFarlane, informed me only yesterday, to England, where it has never been shipped before. The mine has a contract for five thousand tons of gypsum to be shipped to England, and all this is due to this government having spent money at Dingwall and opening up this great industry, building the breakwater, and dredging the harbour so that vessels could come in. Never before had a vessel entered that harbour, but last year before navigation closed, two thousand tons of gypsum were shipped out of Dingwall harbour across the Atlantic to England. So this government has done something for my county and for the development of our natural resources.

Mr. DUFF: I am delighted, Mr. Chairman, that I have got my hon. friends from Pictou (Mr. Cantley), Cumberland (Mr. Smith) and Cape Breton North-Victoria (Mr. Johnstone) to speak, and now that the Minister of Finance (Mr. Rhodes) has come into the house he may have a few remarks to make after I am through. My hon. friends, especially the hon. member for Cumberland, have told the committee of the great amount of money that has been spent in their respective counties. I thought that we were discussing public works estimates, but the hon. member for Cumberland, in order to draw a red herring across the trail, told us about a contract which the railway company had given in Amherst for the building of cars.

Mr. SMITH (Cumberland): My hon. friend knows that I stated very clearly what the public works expenditures were. I mentioned $130,000. The other contract was upwards of half a million.

Mr. DUFF: But my hon. friend did mention the other contract of half a million, and I am dealing with that first; I shall deal with the other afterwards. If I had not drawn my hon. friend's fire he would not have got up to object, but would have let me go on. He knows that the half million contract has nothing to do with the public works estimates, that that contract comes entirely within the purview of the railway company, and that this government, as we have been frequently told by my hon. friends opposite, has nothing to do with the railway, that it is a separate entity entirely, that there is no politics in the railway, and consequently my hon. friend can take no credit in the city of Amherst for getting this half-million dollar contract.

[Mr. Johnstone.]

Mr. SMITH (Cumberland): It had nothing to do with the railway.

Mr. DUFF: What was it?

Mr. SMITH (Cumberland): The harbour commission pier in Halifax.

Mr. DUFF: Oh, I thought my hon. friend was talking of his own county. The hon. member for Halifax will look after Halifax.

Mr. SMITH (Cumberland): I am speaking for my own county. The contract for half a million dollars was given to a firm in Amherst, the Robb Engineering Company. The other contract went to Pictou county.

Mr. DUFF: My hon. friend says that this money was spent in Amherst. My hon. friend also said that there was $130,000 spent on public works in his county last year.

Mr. SMITH (Cumberland): Not last year.

Mr. DUFF: In how many years?

Mr. SMITH (Cumberland): Since the change of government.

Mr. DUFF: Very good. Now take the estimates for this year and see how much is being spent in the county of Cumberland. The miserable sum of $4,900. What about last year? I have the list in my hand, and I see that public works were awarded as follows:

Nova Scotia—
East Ferry—wharf and shed, $700.
Lunenburg—dredging, $24,500.
Yarmouth harbour—dredging, $90,000.
Cow Bay (Port Morien)—to repair breakwater and complete extension, $4,500.
Devil's Island—breakwater repairs, $10,500.
Digby—dredging, $34,000.
Finlay Point—improvements, $3,000.
Grand Desert—harbour protection, $2,600.
Lower L'Ardoise—breakwater reconstruction, $14,400.
Little Judique ponds—groyne, $1,500.
Little River—mooring piers, $5,000.
Meat Cove—breakwater extension, $1,800.
Sandy Cove—breakwater repairs, $11,900.
Seaside (Harbourview) — wharf extension, $4,900.
Seaforth—breakwater extension, $5,000.
Spencer's Point—wharf improvements, $3,600.

Not a dollar for Cumberland county in the last two years, except $4,900! As I said this afternoon, this government is not bringing down the expenditures where they should appear in the main estimates, or even in the supplementary estimates. When the Liberal party was in power my hon. friend from Cumberland was treated much better by his opponent and by the Liberal party; for in the estimates for 1929-30 I find, not simply eight or nine items for the whole province of Nova Scotia, but two whole pages, and

included among them is a very large sum for the county of Cumberland in spite of the fact that my hon. friend always voted against the government in power. The same thing applies to the previous year. I have in my hand the estimates for 1928-29, during which time my hon. friend represented that great county in the province of Nova Scotia. In spite of the fact that he is a Conservative, in spite of the fact that he and I are —what are we?

An hon. MEMBER: Shipmates.

Mr. DUFF: No, not shipmates, but my hon. friend and I have an understanding; we are always paired. These estimates show two whole columns of public works for the province of Nova Scotia. Some of these works were in Malagash, of which I spoke this afternoon. The Tory government did not vote any money for Malagash, it was the Liberal government. The same thing applies to Dingwall. Who started the operations at Dingwall? It was the Liberal party. They were the first to vote money for the Dingwall operations, not the Tory party. I admit that my hon. friend has done his duty in this house—

Mr. JOHNSTONE: The Liberal party never started the operations in Dingwall harbour. They started the breakwater there and in 1925 they had an estimate for that work. I asked across the floor what amount was going to be voted and I was told $50,000. It has cost $135,000 and the Liberal party never had anything to do with the development of the gypsum operations at Dingwall. I think we were in power last year, and that is when the operations were commenced. They had never been heard of before. A ship came into the harbour last year for the first time and was able to load two thousand tons. Never before had a steamer ever entered the harbour. My hon. friend ought to know that and he does know it. He did not think I was going to be here to-night. I was called to Halifax a couple of days ago but I just got in. I do not think my hon. friend would have said that if I had been here.

Mr. DUFF: I must first apologize to the hon. member for Cape Breton North-Victoria (Mr. Johnstone). Being an old sailor and not having had much education, my English is not as good as it might be and consequently my hon. friend perhaps does not understand what I say. I think the hon. member for Pictou (Mr. Cantley) will agree that any remarks I made to the hon. member for Cape Breton North-Victoria are equally true as far as his county is concerned. I said, and I repeat it, that during the time he has been a member of this house, he got more money for his county while in opposition, than he has since he has been supporting the government.

Mr. JOHNSTONE: That is not true.

Mr. DUFF: I will prove it. The hon. member has said that the Grits did nothing in the way of dredging at Dingwall. I hold in my hand the estimates for 1930. The Conservative party was not in power that year and my hon. friend was sitting on this side of the house. He was urging that certain public works should be undertaken in his county. I do not know whether he made an impression upon the Minister of Public Works or whether he induced the engineers that these works were necessary, but the fact is a vote was included in the estimates to cover them. Perhaps my hon. friend will give me some credit for that. I remember getting a vote put in for New Waterford in the constituency of the hon. member for Cape Breton South (Mr. MacDonald) for a new public building. I may have had something to do with the vote to which I intend to refer, but I shall give all the credit in the world to my hon. friend from Cape Breton North. He has said that no dredging was done in 1930 but a vote appears in the estimates for that year in the amount of $25,000 for dredging Dingwall harbour. Surely my hon. friend is fair enough to give the Liberal party credit for that.

Mr. JOHNSTONE: What year is that?

Mr. DUFF: These are the estimates for 1930, before the government was changed.

Mr. JOHNSTONE: That was before the government was changed. Excuse me, that was not for dredging. That $25,000 was for the building of a breakwater which cost $125,000. I asked across the floor of this house what this breakwater was going to cost and I was told it would cost $25,000. No dredging was started in Dingwall until last year, and I think the Minister of Public Works will bear me out in that statement. This work was started after considerable effort on the part of the hon. members and the Dingwall company.

Mr. DUFF: Perhaps the Minister of Public Works can answer the question asked by my hon. friend. All I am going by is the estimates which I hold in my hand.

Mr. JOHNSTONE: The first boat that ever entered Dingwall harbour entered last year.

Mr. DUFF: If I were my hon. friend I would not make that admission, because the Liberal government voted $25,000 for dredging.

Mr. JOHNSTONE: Excuse me, they did not; they voted $25,000 for the building of a breakwater. The hon. member does not understand.

Mr. DUFF: I think my hon. friend will agree that we are doing all this in the most pleasant manner possible. All I want to do is to refer my hon. friend to page 35 of the estimates for 1930. On that page appear the letters D-i-n-g-w-a-l-l-, hyphen, d-r-e-d-g-i-n-g, and carried out is, $25,000. I do not know whether that money was spent for a wharf or whether it was spent for a dance in the town of Dingwall, but the estimates say it was for dredging.

Mr. JOHNSTONE: It was put down there for the continuation of a breakwater that should have cost $150,000. The Liberal government put it down at $25,000 but everyone knew that it could not be constructed for that. They put down $25,000 for the continuation of that breakwater and not for dredging.

Mr. DUFF: My hon. friend does not quite catch my point.

Some hon. MEMBERS: Carried.

Mr. DUFF: No, it is not carried. If my hon. friend will send to the library for the estimates of 1930 he will find an item on page 35 for $25,000 for dredging at Dingwall.

Mr. JOHNSTONE: For what year?

Mr. DUFF: 1930. I shall go back a little further to see if my hon. friend was trying to do his duty to his constituency. I intend to give him all the credit in the world for it. In 1929 the estimates for Nova Scotia took up almost two pages. I notice on page 34 of the estimates for 1928-29 the following item:

Dingwall (Aspy Bay), breakwater.

Surely my hon. friend will give credit to those of us who supported him in trying to get the breakwater built and the dredging done. I will support him in any effort he makes to get after the government to get breakwaters constructed and dredging done.

Mr. VENIOT: How much was the breakwater?

Mr. DUFF: Since that time my hon. friend has been able to get some money for dredging but that amount never appeared in the estimates. In order to get it he had to go around about seventeen corners and he did not meet prosperity on the way. He had to get into the office of the Minister of Labour; he had to get after the Minister of Public Works; he had to do these things to get the money for the dredging at Dingwall put through as a relief measure. It was not put through in the ordinary way it should have been. That is why I am complaining. As far as Dingwall, Cumberland or Pictou is concerned, I will vote for every dollar which is asked for. But what is the government doing for these counties to-day? We find a paltry $4,900 for Cumberland county and not a dollar for Pictou.

Mr. CANTLEY: The hon. member should learn to read.

Mr. DUFF: The only place I can think of is Phinneys Green, and my hon. friend from Cumberland claims that.

Mr. CANTLEY: You need another pair of glasses.

Mr. DUFF: I am not criticizing the hon. gentleman; I am criticizing his party. In the great county of Pictou, which requires public works and public buildings, dredging, breakwaters and repairs to wharves, there is not a dollar. I know what is coming, the same thing that happened last year and the year before under this government—a blank cheque for $50,000,000. An election is coming on, and when it takes place money will be spent on public works all over the country. And I know my hon. friend from Pictou well enough to know that he will get his share. We heard this afternoon about poor Grits who wanted work and could not get it. The same thing will happen as has taken place in connection with public works under the relief program in Nova Scotia in the last three years. Men who should not have got work at all got it, men who charged the government 15 cents a foot for logs, and foremen being paid $7 a day on wharf repair work under the Minister of Public Works—$7 a day when there were lots of good men who would have done the work at $4 a day. That is what will happen this year under the $50,000,000 program to be surreptitiously introduced under the provision for peace, order and good government.

Mr. JOHNSTONE: What year is the hon. gentleman referring to in connection with the vote for dredging?

Mr. VENIOT: It was 1930.

Mr. JOHNSTONE: Dredging was not thought of in Dingwall until 1932, because no dredging was required. In 1932 we did build

a dredge for the reason that the gypsum company had opened a mine, but nothing was said about dredging, nothing was done to take care of dredging until the present government came into power. Then we did get the harbour dredged so that they could open up the mine, from which we shipped this last year 2,000 tons of gypsum to England, something that has never been done before.

Mr. DUFF: If my hon. friend will come across the floor I will show him the estimates. I am sure he does not think that I am trying to mislead him. My objection is that he is too modest, and I am ready to give him credit for getting the Liberal government to provide this money for dredging. But he does not want to take credit for it. I will send the estimates over so that he may see it, and I expect him to give the leader of the opposition credit for voting $25,000 in 1929 for dredging at Dingwall.

Mr. JOHNSTONE: That $25,000 was not for dredging.

Mr. DUFF: A man convinced against his will is of the same opinion still.

Mr. JOHNSTONE: You know as well as I do that it was not.

Mr. DUFF: The hon. gentleman is neither deaf nor dumb and he can read what is printed in the estimates for 1930. Why is he not generous enough to get up and bow to the leader of the opposition and say, "thank you, Mr. Mackenzie King, for giving us that $25,000."

Mr. JOHNSTONE: For the simple reason that there was no dredging in Dingwall until last year.

Mr. DUFF: In view of the small number of items which appear under the heading of Nova Scotia, and with which evidently my hon. friends on the Conservative side are quite satisfied, I should be glad if the minister would read the list of recommendations made by the engineering department in Nova Scotia for the province this year.

Mr. STEWART (Leeds): I have already explained to my hon. friend that I have not that information, and even if I had it would be confidential. All we do is to take the responsibility for what we recommend to the house. These reports are made more or less in confidence, and until some action is taken on them they do not become associated with the estimates or the expenditures. Now, even at the risk of delaying the passing of this item for a few minutes, I wish to reply to my hon. friend. I am sorry that just before six o'clock I rather annoyed him by something I said. But he has entirely changed his position. Before six o'clock he was thanking this government for not spending money in Nova Scotia—

Mr. DUFF: That is not true.

Mr. STEWART (Leeds): Yes, it is.

An hon. MEMBER: Hansard will prove it.

Mr. STEWART (Leeds): He was thanking this government because the appropriation was so small, and he said that the result would be that he and his friends would get more votes—

Mr. DUFF: I did not say that.

Mr. STEWART (Leeds): —in the province of Nova Scotia. Thereupon I ventured to suggest to him that that was a reflection upon that noble province, which had made such a fine contribution to the dominion, and that in casting their votes they would not be guided entirely by the amount of money that was spent in any constituency, particularly in a time of crisis and difficulty. I am sure that on reflection my hon. friend will agree with me that his great province will rise above the mere matter of the expenditure of money when it is giving its decision on the great questions that will come before the Canadian people. With regard to the expenditures in the province of Nova Scotia, let me give him the amount of appropriation in the general vote for a number of years past. I will start with the year 1924. The appropriation under the general vote was that year $55,000; in 1925-26, $65,000; in 1926-27, $71,000; in 1927-28, $65,000; in 1928-29, $65,000; in 1929-30, $80,000; in 1930-31, $100,000; in 1931-32, $110,000; in 1932-33, $200,000; in 1933-34, $275,000; and this year it is $225,000. And the expenditures out of this vote since this government came in have exceeded the expenditures made from similar votes when my hon. friends were in power.

Some hon. MEMBERS: Hear, hear.

Mr. DUFF: I am delighted that the hon. member for Renfrew has reason to applaud.

Mr. MALONEY: Not a cent for Renfrew.

Mr. DUFF: How about five cents?

An hon. MEMBER: Worse.

Mr. DUFF: The minister made the statement that before six o'clock I said I did not want to see a dollar voted for public works in Nova Scotia. He should take back that remark; I did not say that. What I did was to refer to the political conduct of this gov-

ernment in not voting one dollar for my constituency, the great county of Antigonish-Guysborough, with 700 miles of coastline, not voting one dollar for dredging, for public works or repairs to wharves, this year, last year or the year before, because forsooth the fishermen and people of Antigonish-Guysborough saw fit to send me to this parliament. That was what I said. I said that so far as I was concerned it was a good thing politically. I did not mention any other county in Nova Scotia, but I say that there is nothing to the credit of the Minister of Public Works or the government as regards the expenditure of money in that province. My hon. friend read a list, I do not know where he got it, but if he will turn up the estimates for 1928—and I have them under my hand—he will find that he was wrong when he said that in that year there was only some $60,000 spent in Nova Scotia.

Mr. STEWART (Leeds): I did not say that.

Mr. DUFF: He said for the general vote. The minister was trying to deceive the committee. What I am talking about is the whole amount voted for the province, not the general vote. I hold in my hand a list of the estimates for 1929 showing that there was voted for Nova Scotia an amount of $750,200 and not $60,000 as the minister said. I wonder whether the minister knows there is such a place as Nova Scotia.

Mr. STEWART (Leeds): I was speaking about the general vote.

Mr. DUFF: I was speaking about the estimates as placed upon the table of the house. My hon. friend was not fair to himself or to the government when he dared to say that only $60,000 was voted. In addition to the $750,200 voted in 1929, there was also a large sum voted for ordinary expenditures. Why was my hon. friend not fair? What is the use of his saying that this government has appropriated more money in the last three years than the Liberal government did from 1922 to 1930? That is not correct, and my hon. friend knows it.

Mr. STEWART (Leeds): I did not make any such statement. I said that in the general vote the amount was just as I gave it and expenditures had been made from that general vote which my hon. friend is leaving out of account altogether.

Mr. DUFF: I am not leaving the general expenditure out, and the minister knows that. As I said before six o'clock, the total amount to be voted for the year 1934-35 is

$349,500. Does the minister know what year he is living in? That includes the $225,000, does it not?

Last year the amount was larger, namely, $417,900 as against $349,500, which includes the small amount to which the minister referred. As I said a moment ago, if you go back to 1930, the amount was $893,700 including what the minister said was for general account. Every year the Liberal party was in power, we had money in the treasury with the result that every county in Nova Scotia, whether represented by a Conservative or a Liberal, received its share of public works. But what has this government done? What has the Minister of Public Works done? Look at his estimates! He should be ashamed of them and of himself. Just to think, because he is a Tory and I am a Grit, but both of us representing people in this country, not one dollar did he put in his estimates for the two great counties of Antigonish and Guysborough! Not a dollar for any county represented by a Liberal! My hon. friend did not even do his own party or his own followers the justice of giving them any decent amounts for expenditure in their counties. No, but he camouflages the matter just as he did in two or three instances in my county by putting it in for relief work, fifteen cents for logs and $7 a day for a foreman. But he was not satisfied with one foreman at $7 a day, he appointed another at $6 a day. Will my hon. friend deny that?

Mr. STEWART (Leeds): I do not know to what my hon. friend refers; this is the first time I have heard of it.

Mr. DUFF: My hon. friend is Minister of Public Works in this dominion; it is his duty to see that only a fair price is paid for logs or hemlock planks or timber. It is his duty as custodian of the Public Works department; as a privy councillor it is his duty to the Prime Minister and the other members of the government, to see that no money is wasted in public works. Yet if he will look at his records, he will see that $27 a thousand was paid for hemlock planks when I was buying them for $19; that fifteen cents a foot was paid for logs when I was buying them for ten cents; that eight cents was paid for little poles when I was buying them for four cents, and that one foreman at $7 a day was not enough, they had to get a subforeman at $6. Think of it!

Mr. VENIOT: One fellow to watch the other.

Mr. DUFF: Yes. Yet this is the man who comes before us and says that I was trying to say that in Nova Scotia there was no necessity for expenditure of money. Let him look into his own department and he will see that I know more about Nova Scotia than he does; that I am more interested in it than he is. My only regret is, partisan as I am, with the Conservative party in power, conditions in this country are such that there is no revenue and consequently the hon. member for Pictou and the hon. member for Cumberland can get only $4,900 for expenditures in the year of our Lord 1935.

Mr. CANTLEY: I think it is time this controversy should end; but my hon. friend opposite made the statement that when the Liberal party were in power they appropriated money for expenditure in my constituency. For four years, Mr. Speaker, while I sat on the other side, I appealed to the former Minister of Public Works (Mr. Elliott) who, I am sorry, is not now able to occupy his seat in the house, and it was only in the session of 1930, with an election immediately in prospect, that he eventually inserted an item of $56,000 in the estimates for greatly needed repairs on a public building at New Glasgow. A contract was let. The repairs cost $86,000 and the incoming government provided the difference between $56,000 and $86,000. The hon. member for Antigonish-Guysborough is trying to leave the impression that no public money was spent in Pictou during the regime of the present government. There was dredging done at Pictou amounting to about $27,000; Cariboo, $15,000; Pictou railway wharves were rebuilt at a cost of over $50,000; Bailey's Brook wharf repairs, $25,000; in Larry's River there was an expenditure of $15,000; more than $10,000 spent at Pictou island, and $15,000 in dredging New Glasgow. These are amounts I have written down from memory. My hon. friend either does not know the facts or is not quite fair. Usually he is fair, but I suggest he had better inform himself a little more accurately in regard to these matters. The hon. member for Cumberland referred to an order for $500,000. The contract was for $1,030,000, one-half going to Amherst and the other half to New Glasgow. I have not any doubt that when the supplementary estimates are brought down I shall be fairly well satisfied with what the government is doing through the efforts of the Minister of Public Works here, and I do not think it is quite fair for the hon. member to make the statements he has.

Mr. DUFF: Since my hon. friend has been good enough to give the Liberal government credit for what it did when his party were in opposition, I may refer to the facts and give fuller details. The item for Bailey's Brook was voted in 1928 when the Liberal, not the Tory government was in power.

Mr. CANTLEY: That is another matter altogether.

Mr. DUFF: I do not claim any credit for getting it, but my hon. friend should be fair enough to say that the amount for Bailey's Brook is in the 1928 estimates. My hon. friend spoke about the Pictou railway wharves. If my hon. friend will look at the 1928 estimates again—and the Tory government was not in power then—he will find an item of $25,000 voted for repairs to the Pictou railway wharves, and no doubt that was included in the estimates due to the influence of my hon. friend. We did not have the depression then, though of course now it is a world depression while in 1930 it was only a Canadian depression due to the Liberal government. Surely my hon. friend should give some credit to the Liberal government for these votes. I pity my hon. friend, and he knows it; he knows he has all the sympathy of my heart. When a Liberal government was in power, with only three Liberals and eleven Conservatives from Nova Scotia, my hon. friend will find that our province received a great deal more money than they have received since.

Now I want to refer to Malagash in Cumberland county. When the Liberals were in power there was an item of $36,000 for wharf repairs, but to-night my hon. friend gets up and tries to apologize for the Minister of Public Works who gives him $4,900.

Mr. SMITH (Cumberland): I might tell my hon. friend that over $40,000 has been expended on public works in Cumberland county since 1931.

Mr. DUFF: I am sorry it was not $60,000. I say my hon. friend is not being treated fairly, and I wonder why he does not get up and say so himself. I know he does not dare do so in the house, but I know also that he has gone to the Minister of Public Works and raised the roof; he was practically told to get out of the minister's office because he was so insistent in trying to get something for his county. I sympathize with my hon. friend because he cannot get anything from a Tory government. It has always been the same since confederation; Tory governments will not spend money in Nova Scotia. It was while the Liberal party was in power from

1896 to 1911 that all the breakwaters and public wharves were built and all the lighthouses and aids to navigation constructed. Since 1930 the Tory party have torn down everything they could. So I sympathize with my hon. friends. I say to them that if they would support me, instead of having $4,900 spent in Cumberland county and nothing in Pictou or the other counties, we would get something. If my hon. friends would back me up as they should in the interests of their constituents, because they must not forget that it is their duty to see that every possible dollar is obtained for their counties, we would be able to force the minister to vote more money. Of course I know what is coming; the members from Nova Scotia have been lulled to sleep with the promise of the $50,000,000 blank cheque of which they think their province will get a part. But even when that money is spent the Tory party will be defeated in Nova Scotia.

Mr. CANTLEY: I now wish to correct my hon. friend. It is true that $25,000 was put in the estimates during the session of 1928 for Bailey's Brook, but what happened? Mr. Archibald McCall then had the patronage for the county, and he appointed the foreman. When the district engineer went down to inspect the work he reported it was the most disgraceful piece of work he had ever seen, and he dismissed the foreman. Mr. McCall was asked to name a second foreman, which he did; he in turn was also dismissed, and when a southwest gale came in the latter part of August the structure floated out to sea and went down Northumberland strait, so we had to rebuild the whole structure.

Mr. STEWART (Leeds): My hon. friend from Antigonish-Guysborough has made some complaint about the expenditures of money under the Unemployment Relief Act. Let me assure him that the department and the officials have endeavoured to take every possible precaution to see that the money was well expended and that full value was received, and every complaint made to the department either in this house or by correspondence has been investigated. This is the first time I have ever had a complaint from my hon. friend, and if he will follow it up and give me the names and the particulars I will see that it is investigated, and will see what can be done to place responsibility where it belongs.

With regard to expenditures under this general vote I should like to point out to my hon. friend that in the county of Antigonish-Guysborough over $20,000 was expended from the vote of last year.

[Mr. Duff.]

Mr. DUFF: Where?

Mr. STEWART (Leeds): In Antigonish-Guysborough.

Mr. DUFF: Where?

Mr. STEWART (Leeds): On twenty-five different projects.

Mr. DUFF: You spent $20,000 on twenty-five different projects?

Mr. STEWART (Leeds): Yes.

Mr. DUFF: Thank you very much indeed; $800 on each project. Isn't that wonderful? Is it any wonder the country is in such a condition when my hon. friend spent that large amount of money, $800, on twenty-five different projects. My hon. friend says he expects me to go to him and complain about certain conditions in his own department. With all respect may I ask the minister what he is getting paid for? My hon. friend is the Minister of Public Works in this government; he has surrounding him a deputy minister, secretaries and engineers, and it is their duty to see that no money is wasted. It is their duty to see that only a fair price is paid for logs or hemlock planks or timber. It is their duty to see that no foreman gets $7 a day while another foreman on the same work gets $6 a day. It is not my duty to make complaints to the minister; if his officials have not told him of these conditions I say it is not my place to do so, and I am not going to do so beyond what I have said to-night. But I say to the minister, and he knows it as well as I do, that the money spent on public works under the so-called peace, order and good government legislation, was paid to Tories who never should have been made foremen, Conservatives who did not need the money, and so on. The poor people did not get it in the province of Nova Scotia, with very few exceptions. I say that in nine cases out of ten men supplied timber, logs and planks who had no right to supply them. There were poor men who would have been willing to drag ten or twenty logs to where they were needed and who were not allowed to do so. In one case one of the friends of the Conservative party was paid $8,000, out of a $15,000 job, for logs, planks and timber. Another friend of the government on the same job received $1,500 for rope, nails and so on, but how much did the poor labourers get? They received $4,000 out of the $15,000. Was that what relief was intended for? Was that why the money was spent under the peace, order and good government legislation? My hon. friend says I must tell him what is wrong, that I must

make the complaint. I say he should go and investigate it himself; it is the duty of himself and his officials. They know as well as I do that most of this money was wasted, that it was given to men who had no right to it.

Mr. STEWART (Leeds): When my hon. friend says I know that to be so, he is going far beyond the fact. I have already given him the reasons for my statement, and I have invited him to give me this information in order that I may investigate. He says it is my duty to make an investigation. How can I do so if I have not the information? He says it is up to my officials. I am carrying on with the same officials I found when I came into this department.

Mr. DUFF: Oh, oh.

Mr. STEWART (Leeds): And so far as I know they are doing their duty well. Other members on the same side of the house as my hon. friend have not chosen to adopt that independent, disinterested position; they have not refused to give information if they knew of irregularities. I submit that if the hon. gentleman knows of any improper expenditure of public money it is his duty to make it known so that an investigation may be held in order that responsibility may be placed just where it belongs. I want to say that I repudiate any responsibility; I repudiate any insinuation that I know of any wrongful expenditure. I assure him that if it is brought to my attention the responsibility will be placed where it belongs and heads will go into the basket, without regard to whose they may be.

Mr. DUFF: I appreciate the noble sentiment expressed by the Minister of Public Works; nevertheless, he is the minister of the department. Every payroll and every account for expenditures in his department is down in the Hunter building, and I say it is the minister's duty, as the head of his department, to say either by himself or through his officials whether certain moneys have been paid, and whether these moneys have been paid properly. It is also the minister's duty to say whether in the province of Nova Scotia or any other province fifteen cents a foot per log is a fair price, whether $27 a thousand is a fair price for hemlock lumber and whether $32 a thousand is a fair price for square timber, and whether there is any necessity for two foremen, one at $7 a day who never saw a wharf before he was appointed and who would have been of no use had not a second foreman been appointed at $6 a day. That is the minister's duty, not mine, and I am not going to assume the responsibility. I am not in the minister's office; let him have his officials —he has plenty in the department—go over the files, and he will find out that my statement is correct.

Mr. STEWART (Leeds): Does the hon. member suggest that all this should be shown, and that all these details come under the review of the minister himself, or that he has any knowledge of them? I ask him to give me the name of the work, or the place where he suggests these irregularities took place.

Mr. DUFF: I said the minister was responsible as minister of the department.

Mr. STEWART (Leeds): I am trying to assume that responsibility; I welcome the responsibility and am anxious to discharge it. All I ask is that my hon. friend give me the support which I am entitled to receive from him in the discharge of the duties of my position.

Mr. BENNETT: The name of the place.

The CHAIRMAN (Mr. Smoke): Is the item carried?

Mr. DUFF: No; before the item carries I should like the minister to tell me whether or not he will produce a memorandum of the different works which his officials in the province of Nova Scotia submitted to the department to be included in the main estimates. The minister says that is confidential information. I do not agree with him; I say that is a public document.

Mr. BENNETT: This house decided the other way.

Mr. DUFF: I beg the right hon. gentleman's pardon?

Mr. BENNETT: This house decided that it was not.

Mr. DUFF: How?

Mr. BENNETT: A few years ago.

Mr. DUFF: Well then, we must reverse that decision right now. That must have been under a Liberal government. I say that it is a public document and is not confidential at all. The officials of the Department of Public Works, the engineers and their staffs in all the provinces are appointed by the government of this country, and they are responsible to the people. What I should like to know is, in view of the fact that only half a dozen amounts are included in the estimates for the province of Nova Scotia,

whether or not these were all the amounts which the engineers and the officers of the department recommended after investigation and after this country had paid those officials hundreds of thousands of dollars to investigate and make reports to the minister and his officials, or whether there are other items. I ask that the item stand until the minister gives that information.

Mr. STEWART (Leeds): I can say to my hon. friend without hesitation that there were other items recommended and, so far as I know, in years gone by have always been recommended. We have to decide how much money we can apply and appropriate for public works. When that is done we have to make eliminations and cut out certain recommendations, excepting those which we consider to be most urgent and most necessary, and assume responsibility for the position which we take.

Mr. VENIOT: Am I to understand the minister has said that the report of the engineer is so confidential that it cannot be submitted?

Mr. STEWART (Leeds): I do not say that.

Mr. VENIOT: I understood that.

Mr. STEWART (Leeds): I do not say that.

Mr. VENIOT: What did the minister say about those reports?

Mr. STEWART (Leeds): I say that in many cases these reports were of a confidential character.

Mr. VENIOT: Well, that is the point; you would not submit it, or give the contents of it?

Mr. BENNETT: Of course not.

Mr. VENIOT: I am somewhat surprised at that, and I am more surprised that the hon. gentlemen now sitting as members of the government did not take that position when they sat in opposition. I remember quite distinctly that in 1927 when I was asked for a report connected with certain post office trouble in the city of Saint John I then stated that reports had come from our inspectors, and that I considered them confidential. I was forced to produce them on the table of the house. I remember quite distinctly that I agreed that the leader of the opposition of that day, the present Prime Minister, should name a committee of five to whom I would submit all the reports, for their information. The reports were submitted for such information. Then, after the committee had finished its work the then leader of the opposition took the reports and read them into Hansard from the floor of this house. If on that occasion it was right for them to be submitted to the house, or to be put on the table, why is it not proper procedure now?

Mr. STEWART (Leeds): I think there is a clear distinction between the two cases.

Mr. VENIOT: There is no distinction at all; they are both confidential reports.

Mr. STEWART (Leeds): In the case to which the hon. member has referred there was a charge against a certain official, and the reports were in connection with that incident. The reports now in question are made for the purpose of enabling the minister and the department to decide on a certain line of action.

Mr. VENIOT: And the reports to which I referred were made to enable the Postmaster General to decide upon a certain line of action.

Mr. BENNETT: No; one was a matter of policy and the other was not.

Mr. DUFF: These reports are on the file of the Department of Public Works and are not on the minister's confidential file. There is no official in the department, other than the minister, who has a confidential file. These are public documents, documents which the people of this country pay to have made up. We have to pay money to send these engineers around to the different parts of the provinces to find out what works are necessary, and they submit those recommendations to the minister. I say they are not confidential, and that this House of Commons ought to have the right to see what works were recommended by the officials who are paid by this country, and to see what works were cut out either by the government or by the treasury officials.

Mr. BENNETT: Might I correct the erroneous impression held by the hon. member? The recommendations made by officials, upon which the government takes action, are not producible if the government accept responsibility for the estimates, as they do, which are submitted to the house. We discussed this matter, as the hon. member for Gloucester will recall, and he is right in stating that on the occasion to which he refers we did press for the production of the documents. They were not documents to determine a question of policy, but they were documents connected with a particular transaction. The hon. gentleman produced them and read from parts of them, and he will recall we said

that having done that they should be laid upon the table. They were produced before the committee, first, and laid upon the table, and he is correct when he states that they were read into Hansard, without comment, as he will recall.

Mr. VENIOT: There was lots of comment.

Mr. BENNETT: The comment came later. But there is a distinction between the two sets of circumstances. As the hon. gentleman will realize, having been Postmaster General, and as the former Minister of the Interior and the former Minister of Agriculture will understand, when the time comes to prepare estimates it has been the custom ever since there has been responsible government to send out people who make reports, and the government adopts its policy. It then determines what action shall be taken, and assumes the whole responsibility. If it were otherwise the hon. member for Antigonish-Guysborough will understand the result would be that the officials would be the responsible parties, and not the ministers who bring them to this House of Commons. Their recommendations would be the basis of discussion in parliament, and not the estimates at all. That is my understanding, and I have no desire to suggest that a course different from that which has been followed should be followed in the present instance. However, that has been my understanding of it since I have known about parliamentary institutions; for if at the present moment we were to substitute a recommendation of engineers or others for the responsibility accepted by the administration we would have an entirely different system of government. I recall now what the hon. gentleman mentions. It was in connection with Griffiths, and there was a man called Woods. I recall it quite well now. But if my hon. friend looks at it, he will see that that is entirely a different thing.

Mr. VENIOT: If I may be permitted, Mr. Chairman, I cannot agree with the Prime Minister in the matter of confidential information. I can well understand that when an engineer makes a report to a minister on a certain public work, and gives an estimate on the price, his estimates should be confidential until the contract is awarded.

Mr. BENNETT: Yes, up to that point.

Mr. VENIOT: My hon. friend is quite correct in assuming that attitude. But when an engineer makes a report asked for by the minister on the necessity of certain public works in a province, his report should not be confidential.

Mr. BENNETT: Why not?

Mr. VENIOT: Why should it be? That is not establishing the policy of the government. If it were establishing the policy of the government I would say yes, it should be confidential. But the policy of the government is to carry on public works in this country to a greater or certain extent, and the details of that policy are not confidential once you begin to work out the policy. Then parliament is entitled to the information, except that when contracts have to be let based on an estimate of the engineer, then in fairness to the people who are tendering, in fairness to the contractor and the engineer, the estimate should be confidential.

I go a step further. Time and again I have asked for papers and reports of engineers in connection with public works by way of motion, and I have got them; but I took very good care not to ask for them until after the tenders had been awarded, because up to that point I felt they were confidential. After the contract is awarded, however, they are no longer confidential.

Mr. BENNETT: That is right.

Mr. VENIOT: And in that case we are entitled to the information that we are asking for. My hon. friend from Antigonish-Guysborough is entitled to the information he is asking for in connection with public works in Nova Scotia that were not done by tender but by day labour. There is nothing confidential in that. We are entitled to know every item that was spent.

Mr. STEWART (Leeds): I am not contending that my hon. friend is not entitled to receive, and he will receive, in connection with any expenditures all the information that is available—the estimates, pay sheets, and everything else. I grant that readily, even without a motion in the house. That is a different thing from the reports of engineers in connection with works that have not been undertaken, and in respect of which no item has appeared in the estimates.

Mr. VENIOT: But where they are intended to be done by day work there is nothing confidential.

Mr. STEWART (Leeds): It does not make any difference how they are to be done if they are not included in the program.

Mr. VENIOT: You have them in the estimates. Why cannot we get the details?

Mr. STEWART (Leeds): Again we are at cross purposes. I have not declined to bring down reports and recommendations in con-

nection with anything that appears in the estimates. It was only in connection with what was recommended by the engineers and is not in the estimates that I have taken objection.

Mr. VENIOT: I asked for information in connection with general expenditures, and I was denied it. This afternoon I asked the minister if he would specify or detail what this amount of so many thousands of dollars for general expenditures in New Brunswick was for, where the money was to be spent, how, and based on what reports, and the minister told me this afternoon that he could not give me the information.

Mr. STEWART (Leeds): That is in connection with an anticipated expenditure.

Mr. VENIOT: It cannot be anticipated because it is right in the estimates.

Mr. STEWART (Leeds): It is a possible expenditure, an item put in to cover repairs, the nature and extent and locality of which are not yet known.

Mr. VENIOT: How does the minister know what to put in there, then?

Mr. STEWART (Leeds): That will not be known until the architect visits these buildings, ascertains their condition and recommends the necessary repairs. The item is put in there to cover these unknown day to day repairs, some of which spring up entirely unforeseen. How can I give the hon. gentleman particulars of what repairs are going to be required on any public building in New Brunswick next summer?

Mr. VENIOT: I did not ask for that.

Mr. STEWART (Leeds): The roof may be blown off or it may leak. That is the kind of unforeseen expenditure that this item covers.

Mr. VENIOT: It is not. The amount put in here is based on the report of the provincial architect to the chief architect.

Mr. STEWART (Leeds): No.

Mr. VENIOT: Then you are guessing.

Mr. STEWART (Leeds): I said it was based on our experience of our requirements in prior years, and that the expenditures this year would be made upon the recommendation of the architect.

Sir EUGENE FISET: It is really a guess based on past expenditure?

Mr. STEWART (Leeds): It is an anticipated expenditure in the next fiscal year.

[Mr. H. A. Stewart.]

Mr. VENIOT: I asked the minister this afternoon, and he said it was based on the report of the local architect to the chief architect. Now he assumes another attitude altogether. I have got him in a corner on this, and now he jumps. Now he tells me that is not the case. When was he telling the truth, this afternoon or now?

Some hon. MEMBERS: Order.

Mr. VENIOT: He told me so and so this afternoon and he contradicts it to-night. I have a right to ask what part of his statement is the truth. That is not unparliamentary.

Mr. STEWART (Leeds): There must be some misunderstanding betwen my hon. friend and myself, because the statement I made this afternoon is the one I am making now, or I intended it to be so. The explanation I gave this afternoon was exactly the same as I am giving now, that based on our experience of past years a certain amount was required to make these repairs. The architect estimates what amount will be required this year, as in past years.

Mr. VENIOT: Therefore you are going to spend this $200,000 on guesswork based on the experience of last year. You may not spend a cent of it.

Mr. STEWART (Leeds): It will be spent on what the engineer finds and reports is necessary after he has visited these works after the spring storms, and after the effects of the winter and ice and all these conditions are known. Then we will make such expenditures, and such expenditures only, as the circumstances render necessary. It is in order that we can meet these unknown and unforeseen expenditures that arise from time to time that we are asking parliament, as it has been asked in previous years for a vote of this character.

Mr. DUFF: The minister is getting away on to the question of the general vote. I am not asking for particulars of how he is going to spend this general vote, whether five hundred or a thousand or two thousand dollars is going to be spent here or there as conditions warrant. That is not what I am asking for at all. What I am asking for is a copy of the reports of the engineers specifying the work which they consider necessary in the province of Nova Scotia. I am not even particular as to the amounts. If the amounts should be considered confidential, leave that out. But the minister cannot possibly argue that if he gave me a list of the works which the engin-

eers had decided were necessary in the province of Nova Scotia anybody would be hurt.

I go a step further. Where does the minister get these items in the estimates? I know the minister has said that he was not responsible for anything that happened in his department so far as expenditures are concerned, and he wanted me to share the responsibility. In the estimates for 1928-29, for instance, I find an item of $2,500 for repairs to pier, Bailey's Brook. How did the department arrive at that figure that it was necessary to spend $2,500 at Bailey's Brook? Simply because my hon. friend got his car out of the garage and went with the engineer from Halifax down to Bailey's Brook, giving him his lunch on the way. They looked over the work and the engineer decided that $2,500 was all that would be necessary.

Mr. CANTLEY: The hon member is working his imagination to death.

Mr. DUFF: The engineering department in Halifax then recommended to the department in Ottawa that $2,500 would be sufficent for Bailey's Brook. Surely that cannot be considered as being confidential. If tenders are called for that work the men who put them in knew that $2,500 has been voted and they put in tenders for $2,499, or $2,497, or whatever they feel is right. There is nothing confidential about it. Let me go a little further and take up an item in which I am particularly interested. This is one for $70,000 to cover dredging at Brooklyn, the Mersey Paper Company Limited to contribute one-third of the cost. I might state to the hon. minister that I got that work done after I was defeated in Lunenburg. I did not bear any ill will against my constituents; they did me a good turn when they defeated me in Lunenburg. I came up to Ottawa and got $70,000 and that amount appeared in the estimates. The dredging contractors knew that that amount had been voted and when tenders were called for by the department, the tenderers governed themselves accordingly. Where is there anything confidential about that? I could go right down the whole list and show that there is nothing confidential about any item. My hon. friend from Pictou (Mr. Cantley) has said that I am drawing upon my imagination, but I venture to say that the hon. member for Pictou, the hon. member for Cumberland (Mr. Smith); the hon. member for Cape Breton North-Victoria (Mr. Johnstone); the hon. member for Richmond-West Cape Breton (Mr. Rhodes); the hon. member for Cape Breton South (Mr. MacDonald); the senior member for Halifax (Mr. Black), the junior member for Halifax (Mr. Quinn) and the hon. member for Queens-Lunenburg (Mr. Ernst) at least two months ago sent a list of works to the government which the engineers had decided were necessary in the province of Nova Scotia. They intimated to the government what they thought should be spent in the year 1934-35. That information should not be considered as confidential simply because the government did not accept their suggestions. That is where the Prime Minister (Mr. Bennett) falls down in his argument. The government did not accept the recommendations of the officials and he tried to make out that they would be going over the head of the government if this information was accepted. Why was it not accepted? Because the Minister of Public Works, the ministers of the crown and the treasury board felt that this country could not afford to spend any more than this measly sum which appears in the estimates. It is because of the policy of this government that the country cannot afford to spend more. How can the Prime Minister say that it would be a retrograde step if this information was brought down? I say that we are entitled to it. The people of Nova Scotia should be shown exactly what the engineers, who are paid by the ratepayers, think is necessary to be spent in that province. I say again that that information should not be considered as confidential when items which appear in the estimates are not confidential.

Some hon. MEMBERS: Carried.

Mr. DUFF: It is not carried. I want that information and if I cannot get it, I should like the item to stand.

Mr. STEWART (Leeds): We will let it stand.

Item stands.

Alberta—
Dominion public buildings—improvements and repairs, $15,000.
Edmonton—government's share of cost of local improvements, $1,160.
Edmonton—tractor for postal purposes, $1,600.

Mr. BURY: In connection with the item of $1,160 covering the government's share of cost of local improvements at Edmonton, could the minister advise just what that covers?

Mr. STEWART (Leeds): The government's share of the cost of an asphalt pavement in front of the old Dominion Lands building on 100th street which is now utilized for armoury purposes.

Mr. BURY: There is nothing to cover the cost of the sewer from the government grain elevator?

Mr. STEWART (Leeds): No.

Mr. BURY: I understood that there was to be an item in the estimates to cover this.

Mr. STEWART (Leeds): Possibly that will be under Trade and Commerce; they have to do with the elevators.

Mr. STEWART (Edmonton): I do not rise to criticize this vote, although it is very meagre. The government has explained that it is unable to spend more money this year because of the depression, and I do not want to add anything to what has been said to-night with respect to the depression. If the government's policies were changed I do not think there would be any necessity for such drastic cuts in necessary public service. However, I have another object in view in speaking this evening. Every once in a while someone from eastern Canada takes it upon himself to point out the tremendous costs incurred by the government in western Canada. I ask my hon. friends from eastern Canada to glance through the proposed expenditures for the three prairie provinces. The estimates this year are no different from those of the past thirteen years. I am not so familiar with conditions before that time, but the country was new and the expenditures could not have been heavy. No individual in eastern Canada has the right to say, either publicly or privately, that the government of Canada is making huge expenditures in western Canada. With the single exception of the expenditures for relief, a calamity similar to occurrences in the past in the east, it would be hard to discover expenditures of any great amount. Time and again we are treated to a tirade by people in eastern Canada to the effect that the cost of carrying western Canada is out of all proportion to the cost applicable to the rest of the country. I want to state publicly that for the past thirteen years the 2,000,000 people who live in the western provinces have not had anything like their fair share of expenditure. To-night we have listened to the complaints of hon. gentlemen from the old province of Nova Scotia sitting on both sides of the house. Year after year the eastern provinces have been voted ten times the amount voted to the three prairie provinces. The cost to the federal government of carrying the western provinces has been small compared with the expenditures made in other parts of the country. I exclude British Columbia because that province has a coast line and at times heavy expenditures have been made in that connection. Some of these complaints come from the maritime provinces—I do not say they are made by hon. members of this house, but they are made by very influential people. They do not go down very well with us in the west, particularly with those of us who happen to have been acquainted with the estimates for years past and are likely to see them in the future, because we have no rivers, no dredging, no harbours, so that all we get from the federal government—and we are taxpayers equally with the people in the east—is money for repairs to public buildings and once in a while a public building. I can quite imagine that my hon. friend from East Edmonton has made representations. I know that there is necessity for expenditures in the west as well as in the north which is opening up, but we shall not get them; I find in the estimates no appropriations for work of that sort. I rise now to protest against that kind of thing. In the light of these estimates, and of the estimates of previous years, I say that the residents of western Canada have not received anything like their proportionate share of the expenditures voted year by year by the federal government. If you glance at the estimates this year you see that the expenditure is so paltry as hardly to be worth mentioning. I know that representations have been made to the Department of Public Works and to other departments as well for expenditures; but we are told—rather, I should say, they are told, because I am not now in the habit of inquiring—that the money cannot be given; the depression is on, and therefore it cannot be done. I venture to say however that when this government changes, as it will change when there is a general election, the depression will not cut much of a figure in the demands that will be made upon the successors of hon. gentlemen now in the government. We shall hear in no uncertain way, when the Liberal government is in office, that money ought to be spent.

I have not a great deal of sympathy with my hon. friend who is getting such a panning to-night, because in former days he was one of the gentlemen who contributed their fair share of the panning of ministers in the previous government. He knows now what the responsibilities are like and he must be prepared for a pretty severe castigation, not only on his own account but for the sins of his fellow members in the government. He and some of his friends were fairly good at criticizing in more prosperous days, and I would submit to him now that the prosperity then

was brought about by the fiscal policy of the government of that day. Indeed, had the same fiscal policy been carried into effect by this government there would to-day be a different story to tell. I think now of all the spacious promises made by himself and his leader and other members of the government of what they were going to do for the people of this country. What a wonderful country Canada was going to be; what a wonderful place to live in. But now we hear excuses made on any and every occasion that there is a world depression. There was no world depression in 1930, however; hon. gentlemen never heard of such a thing. All the fault then was the government's. My hon. friends cannot change their argument.

I am amazed as I sit here and watch the performance of hon. gentlemen opposite that in very few particulars have they changed the method of administration in any respect. They are carrying on very much in the way the government whom they succeeded carried on, and day by day they are finding out that after all the old government was not such a poor government, that its methods were not so terribly bad as my hon. friends opposite depicted them. When it comes to administration they have to carry on very much in the same way. They were going to nationalize unemployment, but they have to carry on through the agency of the provincial governments. My hon. friend is spending some money—very little, and it is being reduced—but another agency will spend it and do some of the work formerly performed by the Minister of Public Works.

Taking it all in all, therefore, there is a tremendous difference between sitting on this side and sitting on that side. I must confess that there is great freedom from anxiety over here. There is one gentleman with whom once in a while I do sympathize, and I say that freely, and that is the Minister of Finance. He is the one who has to find the money, and I say to my hon. friends opposite that their policies make it absolutely impossible for him to find it. Year by year he is finding himself in this difficulty, a difficulty every year aggravated. Every year there is a little more cut off expenditures—why? Because we cannot get the revenue, and if there were no election in sight for the next two years this performance would go on, with constantly decreasing revenues. No reference is made to the fact that we are losing over $100,000,000 in customs and excise, though the Minister of Finance knows it. But that is to be made up by direct taxation from some other source. Notwithstanding all the additional taxation, however, we have to admit, when we glance through the estimates, that they are going down, with the result that very much needed services will have to remain in abeyance.

I want to make it perfectly clear that I am ready to take up the cudgels on behalf of my own part of the province, and I say with full assurance that not only are we not getting more than we are entitled to, but we are not getting our fair share. Perhaps I must take my share of the responsibility as well as anyone else, but the fact remains that every western member should take up the cudgels on this question, because it is so irritating at times when we read in the press, or hear, such statements as have been made. I do know that the gentleman who made the statement when he came to Ottawa took it back. I have no desire to raise any question about east versus west, but statements of that kind are not true.

Mr. STEWART (Leeds): If my hon. friend confines his remarks to this item, certainly it does appear small and insignificant. But I submit that it is not quite fair for him to limit his observations to, and to base them on, an item such as this. We must look at the whole picture. When he speaks of large expenditures for harbours, undoubtedly the part of the country for which he has spoken so forcefully reaps a benefit from those expenditures, notwithstanding that they are made in other provinces. How would the west market grain if it were not for harbour improvements in British Columbia and at the head of the lakes?

Mr. STEWART (Edmonton): No one complains about dredging in Vancouver harbour.

Mr. STEWART (Leeds): Vancouver is not the only one; there is New Westminster, and grain goes out through that port. And when you take railway expenditures into consideration, possibly my hon. friend will find some compensation in this direction. He may find some compensation when he surveys the whole field. I admit that the amount is small.

Mr. GERSHAW: Under this item I wish to call the attention of the minister to the fact that if a program of public works is undertaken, post offices throughout the rural parts of the country should certainly come in for consideration. Many of them are poorly equipped, without any waiting rooms, and with inadequate protection for the mails. I know that the postmasters have often to provide buildings themselves, but in many instances their salaries have been reduced and

it is impossible for them to do so. We have in Medicine Hat a rather large government building which houses the post office and the customs as well as the health of animals branch, and it has been pointed out to me that that fine building is in need of repairs in several ways—not that any great amount of money should be spent, but it does require certain repairs to keep it in shape. I heard the minister say that the architects visit those places once in a while. How often does an architect visit such a point and is there enough money in this appropriation to provide whatever repairs are needed?

Mr. STEWART (Leeds): We have the Dominion of Canada divided up into districts for engineering and architectural purposes. The resident architect at Regina would cover the territory referred to by my hon. friend. If the postmaster or the janitor or any other occupant of the building reports that repairs are needed, or if representations to that effect come from my hon. friend, the matter would at once be referred to the architect and he would investigate and make his report. This item is provided for the purpose of taking care of just such repairs as my hon. friend mentions. The architect does not visit all buildings regularly or at any specified time, but reports are sent to him in the way I have indicated.

Mr. GERSHAW: I would be glad if the minister would have a note of that taken because it has been brought to my attention.

Mr. STEWART (Leeds): Every suggestion made as reported in Hansard will be carefully reviewed.

Item agreed to.

Rents, Repairs, Furniture, Heating, Etc.

Ottawa public buildings and grounds—

Elevator attendants, $109,000.

Departments generally—char service, including $135 to E. Snowden for firing the noon gun, $408,000.

Heating, including salaries of engineers, firemen and watchmen, $405,000.

Light and power, including roads and bridges, $185,000.

Repairs, improvements, additions and maintenance, $377,000.

Rideau Hall—allowance for fuel and light, $19,000.

Rideau Hall—improvements, furniture and maintenance, $40,700.

Telephone service, $82,500.

Water, $68,000.

Mr. STEWART (Edmonton): Does this item cover all the improvements at Rideau Hall or is some other department doing work there?

[Mr. Gershaw.]

Mr. STEWART (Leeds): The only items I notice are for fuel and light, $19,000, and for improvements, furniture and maintenance, $40,700.

Mr. STEWART (Edmonton): My hon. friend's department did not construct that fence. That is what drew my attention to the matter. By whom was that built? Who pays for it?

Mr. STEWART (Leeds): The federal district commission undertook that work and they pay for it out of their appropriation.

Mr. RHODES: From the vote to the commission.

Mr. STEWART (Edmonton): I presume that would be a permanent improvement. Do they do anything else?

Mr. STEWART (Leeds): They look after the grounds.

Mr. STEWART (Edmonton): Maintenance of grounds?

Mr. STEWART (Leeds): Yes.

Mr. STEWART (Edmonton): Has the minister any idea as to the cost?

Mr. STEWART (Leeds): No; if my hon. friend would make a note of the question, he could refer to it when the estimates of the federal district commission are before the house; this matter does not come under my department.

Mr. MACKENZIE KING: It is just within the last year, is it not, that the maintenance of Rideau Hall grounds and improvements thereto have been placed under the federal district commission? Hitherto, they were under the Department of Public Works.

Mr. STEWART (Leeds): My right hon. friend is quite correct. I think this is the second year the commission has had charge of that work. They were given it owing to the fact that they have the necessary equipment and it was felt that the fact they are carrying on similar work of this character made them better qualified.

Mr. MACKENZIE KING: It also has the effect of showing a saving in the minister's estimates.

Mr. STEWART (Edmonton): This was drawn to my attention just yesterday and as a matter of fact I said it could not be true, but I find now on inquiry that it is true, that the government has divided the work on Rideau Hall and that the actual cost of keeping up that institution is now divided

between the federal district commission and the Department of Public Works. Was there any particular reason other than that, as the minister says, the commission has special equipment? It would not have equipment for the maintenance of the grounds.

Mr. STEWART (Leeds): Yes, to care for the driveways and all that sort of work, for instance, removal of snow. They can do it more cheaply than we can. What we felt was that with the special equipment they have for the care of driveways, they could take care of this work at the same time.

Mr. STEWART (Edmonton): I do not want to be critical of the change, but it seems to be rather poor policy to divide work of that kind. The erection of a fence is certainly as much a matter for the Department of Public Works as for the federal district commission, because they would have no special equipment for erecting iron fences. As regards the maintenance of the driveways and the grounds, this is the same sort of work as the Department of Public Works is doing around this and other public buildings. I cannot quite agree with the minister that the government are saving any money by the change. It is work identical with that which is being carried out by the Department of Public Works and to divide it among three or four departments certainly does not tend to cheapen the cost. If the work were concentrated in one department, that would have a tendency to cheapen the cost.

Mr. STEWART (Leeds): I agree that duplication is likely to increase expense. One reason the work is given to one organization is that it may be in time they will also be given the care of the grounds round the parliament buildings; I am not, however, suggesting that that will be done.

Mr. STEWART (Edmonton): If the government turns over to the commission the care of the grounds all around Ottawa, there would be some strength in the argument, but that is not the case. The Department of Public Works have the equipment and they must have the men to do this work. I do not see how this change is going to lessen the cost.

Mr. MACKENZIE KING: In justice to the commission and its work, it ought to be appreciated that a large percentage of the amount voted for the commission really goes to carry out work formerly undertaken by the Department of Public Works. Last year, out of a total of $55,000 provided for the maintenance and equipment of properties under the control of the commission, over $44,000 was spent on improvements to the grounds at Rideau Hall. I mention this because it would be unfair, when we come to discuss the item for the federal district commission, to assume that the commission is getting a large amount for general work. It is really getting a large amount for that particular work which formerly was under the minister's department.

Item agreed to.

Dominion public buildings—
Dominion immigration buildings—repairs, improvements, additions and furniture, $10,000.
Dominion quarantine stations—maintenance and repairs, $13,600.
Fittings, general supplies and furniture, $50,000.
Heating, $420,000.
Light and power, $333,000.
Rents, $1,600,000.
Salaries of caretakers, engineers, firemen, etc., $1,030,000.
Supplies for caretakers, engineers, firemen, etc., $45,000.
Water, $75,000.
Yukon public buildings—rents, repairs, fuel, light, water service, and caretakers' salaries, $20,000.

Mr. REID: As regards the item of $1,600,000 for rents, is that for rental of buildings throughout Canada?

Mr. STEWART (Leeds): Yes, that is throughout the whole of Canada where we have rentals.

Item agreed to.

Prince Edward island—
Essential undertaking—
Victoria—additional warehouse accommodation, $2,700.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $50,000.

Mr. MacLEAN (Prince): This item, like the others for the maritime provinces and also the rest of Canada, has been reduced drastically. There is only one item in the whole estimate for Prince Edward Island and the total is $52,700. I wish to draw attention to the fact that in 1928-29 the estimate was $229,800 and in 1927-28 it was $339,800. So far as public works are concerned the estimates for the province of Prince Edward Island have been cut out almost entirely. I need not tell the committee that of all the provinces of Canada perhaps Prince Edward Island has a coast line which involves the greatest number of public works, but these have been allowed to fall into decay very rapidly in the past few years. As the hon. member for Antigonish-Guysborough said, we need assistance for

our fishermen, and the only assistance we can give is to provide them with facilities in the way of harbours and landings.

There is one matter to which I would like to direct the attention of the committee. The estimates presented by my good friend the Minister of Finance the second day of the session are no more the estimates for this dominion than that telephone directory is out in the lobby. We have had the information, perhaps by way of accident, from a good many hon. gentlemen opposite as to what is the situation. We know that two or three months before the session opened there were demands from every city and town across the country asking this government to cut down on expenditures, and when the estimates were tabled great headlines appeared in the press from coast to coast saying the estimates had been reduced by $17,000,000. But our friends from Nova Scotia say: "Wait until the supplementary estimates are brought down; then we will be floating on top of the ocean." They say these do not begin to be the estimates for 1934.

I want to point out that the Minister of Finance has not played fair with the country. If we are to have supplementary estimates that will wipe out the $17,000,000 which he said he was saving, it is absolutely unfair to the people of Canada. I think the estimates should have contained every item of expenditure contemplated by the government so that each item could be brought down in the house and passed in the regular way. We do not know how this tremendous amount of new money is to be expended. Some say it is to be a blank cheque; some say it is to be expended under the peace, order and good government legislation, while some say it will be in the supplementary estimates. At all events there is nothing in the estimates for the county I represent, and very little for the counties represented by my hon. friends opposite.

The question I want to ask the minister is whether any representations have been made to him with regard to the warehouses on the wharf at Summerside, Prince Edward Island, and whether a request has been made for the construction of a heated warehouse at that point for the handling of potatoes and other products.

Mr. STEWART (Leeds): I think some representations were made in connection with the government taking over the Canadian National Railways warehouse. As to the amount in the estimates for Prince Edward Island, of course it is small but I think my hon. friend will find that it is only in keeping with the estimates for the other provinces. With regard to his fears as to the supplementary estimates and further expenditures, I can only invite him to be patient and wait and see. If any action is taken along that line, he will have an opportunity, as all others will have, to set forth his views and express his claims. We have always had supplementary estimates since I have been in this house, and there may be some this year; I cannot say.

Mr. MacLEAN: A portion of that wharf has been taken over and maintained by your department, but on that wharf we have a couple of potato warehouses. This year, however, a great deal of trouble was experienced in loading and housing the potatoes in those buildings, because of frost. A request has been made by the board of trade and other organizations of Summerside asking that some improvements be made there in order that these buildings might be heated so that potatoes could be shipped in colder weather than is possible at present. I hope that if there are supplementary estimates, as we have been led to believe, a sufficient amount will be included to take care of these very necessary repairs.

There are other repairs all around the county that I could enumerate by the score; I could point out many places where money should have been expended this year, and I hope that when the supplementary estimates are brought down these very much needed repairs will not be overlooked.

Item agreed to.

Mr. VENIOT: Before the committee rises I should like to remind the minister that I submitted a request, by way of a motion, for the production of certain papers in connection with the Shippigan wharf. If that report has been submitted I have had no knowledge of it. I wish the minister would have it ready when his estimates come up again.

Mr. STEWART (Leeds): I will inquire and see that it is brought down as soon as possible.

Mr. VENIOT: I cannot discuss the matter intelligently unless I have that information.

Progress reported.

On motion of Mr. Rhodes the house adjourned at 10.10 p.m.

Monday, February 19, 1934

The house met at three o'clock.

IMMIGRATION ACT AMENDMENT

Mr. A. A. HEAPS (North Winnipeg) moved for leave to introduce Bill No. 14, to amend the Immigration Act (public charge).

He said: Mr. Speaker, this bill seeks to amend section 40 of the Immigration Act dealing with the question of public charge. It does not attempt to define the term "public charge," but deals with that section of the act which at the present time makes it obligatory upon local authorities to notify the federal government when a person becomes a public charge. The intention of the measure now before the house is that instead of it being obligatory upon local authorities, it shall be optional with them as to whether or not they will notify federal authorities.

Motion agreed to and bill read the first time.

WESTMINSTER HOSPITAL

On the orders of the day:

Mr. R. W. GRAY (West Lambton): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Minister of Pensions and National Health (Mr. MacLaren). Can he inform the house when the report of the committee investigating conditions in Westminster hospital will be made public?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, that report has been received, but no decision has been made as to when it will be made public. The matter is now under consideration.

DESTRUCTION OF SALMON

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should like to direct the attention of the Acting Minister of Fisheries to a news item appearing in a Vancouver paper called The Commonwealth. This item which appeared in the publication of the 14th instant, states there is a rumour to the effect that the Fisheries Patrol boat the Malaspina arrived in Vancouver on Thursday, the 8th instant, for the purpose of loading salmon to dump in the gulf. The article goes on to say:

> Good salmon too, not spoiled stuff . . . but perfectly edible salmon.

I think that is unlikely, but suggest the matter should be looked into.

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): Mr. Speaker, I shall be pleased to look into the matter.

CANADIAN NATIONAL RAILWAYS

INQUIRY CONCERNING RETIREMENT OF ELECTRIC RAILWAY BONDS

On the orders of the day:

Mr. V. C. PORTEOUS (North Grey): Mr. Speaker, I should like to ask a question of the Minister of Railways and Canals (Mr. Manion) based on a communication I have received from one of my constituents. Is there any recent development in connection with the retirement of Canadian National electric railway bonds?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I assume the hon. member is referring to the Guelph suburban about which he spoke to me. I shall make an answer in regard to that in a few days.

ANNUAL REPORT AND APPOINTMENT OF COMMITTEE

Hon. R. J. MANION (Minister of Railways and Canals): While I am on my feet may I say that the hon. member for North Waterloo (Mr. Euler) asked a question on Friday about the tabling of the annual report of the Canadian National Railways. I have made inquiries and I am informed that the report will not be ready until about March 15, which is about the usual time, after they have received the report of the auditors for the year.

KING ALBERT OF BELGIUM

TRIBUTES TO HIS MEMORY—EXPRESSIONS OF REGRET AND SYMPATHY

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think it would be the sense of this house that we should place on record our very deep sympathy with the Belgian people in the loss they have suffered through the sudden and unexpected death of their sovereign, and that we should extend also our deepest sympathy to the bereaved family.

In the end of July and the beginning of August, 1914, the late King of the Belgians was the well-beloved monarch of a small nation with a relatively limited population. Within a month he had become one of the great figures of the world. If one were to ask how this came about, the answer, I think, would be found in the character of the man

who at that moment was sovereign of the Belgian people. The neutrality of his country had been guaranteed by treaty. When Germany determined to march against France the plan of campaign, as prepared by her military leaders, contemplated crossing Belgian soil. That was a violation of neutrality. It is difficult at this time to determine just what discussions took place and to what extent conciliatory efforts were used for the purpose of inducing those in authority in Belgium to consent to such action. But out of all the confusion and doubt on that question there emerges one clear-cut fact, and that is that the King of the Belgians was prepared to sacrifice everything except honour in defence of his people and of the integrity of his kingdom. From that moment on he became a world figure. He must have realized, as everyone did, that that small nation could not resist the onslaught of the great moving millions of Germany, and when his cities fell one after the other, when his country became almost a dependency of a foreign country and governed by a foe, as it was for so many years, he still pursued his course at the head of his army, sharing in their vicissitudes their losses and their gains. In the end he was privileged as the head not only of his own armies but of the armies of the north of France and of some British troops, the cavalry brigade of Canada and some detached engineering and railway units, to march back into his kingdom and repossess it.

His place in history is assured. The suddenness of his death and the circumstances attending it will add lustre to the glory of his name. We, far-removed from his kindgom, perhaps do not realize the extent to which he had become beloved by his people. Democratic, and yet in every sense a king, he and his queen had so endeared themselves to their people that I fancy few more popular sovereigns ever sat upon a throne. We Canadians were not closely in contact with the operations which he directed until the end when he repossessed himself of his kingdom, but I think we can share, as our troops shared under the command which he had over his own and the British and Canadian forces at the end, the sorrow of his people and extend the sympathy which Canadians have for those who have lost a heroic sovereign, one whose courage and determination have given him a place among the heroic figures of the world. In that sense I am sure that this House of Commons and the parliament of Canada will join with all the peoples of the world who honour and respect courage, bravery and the qualities that make for enduring fame among the citizens of the world, in extending our sympathy to the bereaved royal family and people of Belgium in the great loss which they have sustained.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): As leader of the official opposition in this House of Commons, I deem it a privilege to join with the right hon. the Prime Minister (Mr. Bennett) in the sentiments which he has expressed on behalf of the Canadian people in appreciation of the truly great and noble life of the late King Albert I of Belgium; and of the loss which Belgium and the world has sustained in the late king's sudden and tragic death.

I join as well, on behalf of hon. members on this side of the house, with the Prime Minister and hon. members on the government side, in the sympathy which the Prime Minister has expressed with Her Majesty the Queen of Belgium, and the members of the Belgian royal family, in their personal bereavement, and with the people of Belgium in their national loss.

Character, and the circumstances of his time, combined to give to the late king most of the attributes of the mythical hero of legendary days. It is in no way due to convention that in all parts of the world to-day, King Albert of Belgium's many virtues as a sovereign and as a man are being extolled. He, if ever monarch was, will be remembered as a Knight of the Holy Grail; a man who found the joy and fullness of life in high and noble adventure. The manner of his death portrayed the quest of his soul.

The world, in these days of anxiety and uncertainty, will greatly mourn the loss of one whose personality and patriotism did so much to unite the crown and the people in bonds of mutual confidence and affection. It will, however, recognize as a legacy to all mankind, what it now recalls of Albert's kingly and heroic leadership of his country in time of peril; his rigid regard at all times, as a sovereign, for constitutional practice and procedure; his never-failing solicitude for the well-being of his subjects; his democratic sympathies and behaviour; and his exemplary personal life.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, King Albert of Belgium whose death we mourn to-day was beloved by his subjects and revered the world over for his great and sterling qualities. May I be permitted to join with the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King) in expressing to the royal family and the people of Belgium our sincere sympathy in their irreparable loss.

AUSTRIAN SITUATION

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to direct a question to the Prime Minister, Mr. Speaker. It is perhaps hardly fair that I should expect an answer to-day, but I think it perhaps is right that we should ask the question because many are deeply interested in the whole problem. What is the policy of the government, if any, towards the situation existing at the present time in Austria?

Right Hon. R. B. BENNETT (Prime Minister): I think I should answer the question at once. The government of the day is advised from time to time of what is transpiring in Austria. So far as policy is concerned, I know of no policy that we can adopt that would warrant us either in interfering in the domestic difficulties of Austria or in endeavouring to preserve the sanctity of treaties when the nations directly affected, Great Britain, France and Italy, have already directed a note to Germany in the sense of maintaining the integrity of Austria and maintaining unviolated the conditions and terms of treaties.

WHEAT AGREEMENT

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): I should like to direct a question to the government. Is it the intention of the government to ask for concurrence by the House of Commons in the recent agreement entered into regarding wheat?

Right Hon. R. B. BENNETT (Prime Minister): As I am at present advised, it is unnecessary to do so. The legislation dealing with marketing will afford ample powers so far as the government is concerned, but the provinces have certain responsibilities, as the hon. gentleman knows, with respect to cultivation, over which there is grave doubt as to the power of this parliament in the absence of what has been designated as a treaty within the provisions of the British North America Act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister if three provinces can bind nine provinces with respect to what is to be the agricultural policy of the country?

Mr. BENNETT: No. The three provinces have to deal with the question of production within their borders, and to the extent to which that may affect the interests of the other six or of the nine, of course they are affected. It is not a question of binding them or anything of that sort, it is a question of taking such action as will bring about what they conceive will be in the best interests of their producers and to ensure them higher prices than they are now receiving for their products.

Mr. MACKENZIE KING: My point is that all the provinces of Canada are affected by this agreement. There is no other place except this House of Commons in which expression can be given by at least six out of the nine provinces as to the degree to which they are affected and whether they approve or disapprove. I think it is imperative not only that this matter should receive full discussion but, before its provisions become operative, approval of the treaty as well should be voted by this house.

Mr. BENNETT: Mr. Speaker, if I may be permitted to make another observation, having spoken already, I have no doubt that there will be an item in the estimates which will provide ample opportunity for a discussion of this matter. I should like to point out that section 92 of the British North America Act states that in each and every province the legislature has exclusive jurisdiction. Exclusive jurisdiction means just what it says, the power to deal with the quantity of production within the provinces.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ALBUM ENTITLED "FORTY DAYS IN CANADA"

Mr. POULIOT:

1. Did the government last year, publish an album entitled "Forty Days in Canada"?

2. If so: (a) on whose instructions was this album published; (b) by whom; (c) what was the cost of each copy; (d) on what occasion was this album published; (e) how many copies were published; (f) to whom were they distributed in 1933; (g) were copies taken by the Postmaster General for distribution to the members of the postal congress at Cairo; (h) if so, how many?

Mr. DUPRE:

1 and 2 (a) Certain officials of the Post Office Department ordered the publications and printing of 200 copies of an album entitled "Quarante Jours au Canada".

2. (b) Gazette Printing Company, Limited, Montreal.

(c) $21.60.

(d) Meeting of preparatory commission of the tenth congress of the Universal Postal Union.

(e) 200 copies.

(f) Delegates to meeting of preparatory commission, certain government officials and prominent persons, no detailed list available.

(g and h) Not so far as known.

UNEMPLOYMENT RELIEF.—CAP-DE-LA-MADELEINE

Mr. BARIBEAU:

1. Has the provincial government of Quebec suggested to the federal government the carrying out of works for the relief of the unemployed in the city of Cap-de-la-Madeleine, Champlain county, during the year 1933-1934, according to the Gordon-Francoeur agreement?

2. If so, what amount was set aside for this purpose?

Mr. GORDON:

1. Yes.

2. Total estimated cost $35,000, dominion proportion $7,500.

CANADIAN NATIONAL RAILWAYS—MONTREAL

Mr. JEAN:

1. Has the Canadian National Railway Company awarded a contract for the pulling down and the reconstruction of the Moreau station, St. Catherine street east, Montreal?

2. If so, to whom was this contract awarded and for what amount?

3. What part of this amount is allotted for demolition purposes and what part for the reconstruction?

4. When were the plans and specifications of the reconstruction of this station made and by whom?

5. Were tenders called for in connection with this contract or for part of this contract?

6. If so, when and how were these tenders called for?

7. How many tenders were received, by whom were they submitted and what is the amount?

8. During the past five years, has the government or the railway company called for or received other tenders for the rebuilding of this station?

9. If so, who were the persons or corporations who submitted tenders and for what amount?

Mr. BENNETT: Mr. Speaker, I should like the hon. gentleman to look at this question with some care. It involves the examination of the internal business of the Canadian National Railways. For reasons which this house has asserted and reasserted, it simply means that we would send a letter to the company and ask them to give us this information. As happens in nine out of ten cases of this kind, they would reply that it is not desirable in the public interest or in the conduct of the business of the railway that this question should be answered. We would be in the difficult position of trying to insist that a company functioning as a national railway should be asked to do something which a company functioning as a privately owned railway would not be compelled to do. Under the circumstances, I suggest that the question be dropped.

Question dropped.

JAMES MACDONALD CONSTRUCTION COMPANY, LIMITED

Mr. NEILL:

How many contracts have been awarded during the calendar years 1932 and 1933 to the James MacDonald Construction Company, Limited, of Victoria, by any department of the Dominion government, and what was the total amount of such contracts?

Mr. CAHAN:

1932

Contract	Nature of work done	Amount
1.	Whiffen Spit, Sooke Harbour—Protection work	$1,249 30
2,	Piers Island—Wharf.	4,217 28
3.	Sandspit—Wharf repairs. . . .	1,003 60

1933

4.	Queen Charlotte City—Float repairs.	$ 285 81

MILK INQUIRY

Mr. SEGUIN:

Following the facts established by the parliamentary inquiry carried on during the last session on the milk question and in connection with milk products; will the government without delay, take steps to remedy the present existing condition in providing to reduce to a reasonable figure the profits of the middleman, in order that the producer and the consumer may benefit equally?

Mr. GORDON: This same question was asked in substance but in another form by the hon. member for Charlevoix-Saguenay (Mr. Casgrain) on February 15. The report of the select standing committee on agriculture and colonization which went into this question last session will be drawn to the attention of the select committee set up by this house a few days ago to be under the chairmanship of the Minister of Trade and Commerce (Mr. Stevens) for such review, investigation and action as is deemed desirable. Under the circumstances, I think the question should be dropped.

Question dropped.

EASTERN EXPORTERS' COMPANY

Mr. HANBURY:

1. How much coal was purchased from the Eastern Exporters' Company by the Marine department for delivery to steamers at Pictou, Nova Scotia, during the year 1933?

2. What was the price per ton?

3. What were the dates of delivery?

4. How much coal was purchased from said company for delivery at Pictou, Nova Scotia, by any other department of the government in 1933?

5. What was the price paid?

6. When was said coal delivered?

Mr. CAHAN:

1. 180 short tons, 900 pounds.

2. $6.75 per short ton.

3. May 15, 1933.

4. 52 tons Besco Coke for custom house.

5. $8.85 per ton in bins.

6. September, 1933.

RAILWAY MAIL CONTRACTS

Mr. GARLAND (Bow River):

1. What is the total value of all rail mail contracts in Canada?

2. What proportion of this goes to the Canadian Pacific Railway Company?

3. What proportion of this goes to the Canadian National Railway Company?

Mr. DUPRE:

1. 1930-31, $7,714,151.11; 1931-32, $7,161,433.89; 1932-33, $6,696,920.99.

2. Canadian Pacific Railway, 1930-31, $3,757,964.04; 1931-32, $3,613,011.69; 1932-33, $3,477,479.23.

3. Canadian National Railways, 1930-31, $3,509,650.25; 1931-32, $3,142,452.08; 1932-33, $2,842,699.37.

MR. JOHN JARDINE

Mr. MICHAUD:

1. Has Mr. John Jardine, of Campbellton, New Brunswick, been employed in any capacity by any department of the government since January 1, 1933?

2. If so, in what capacity, and what was his salary or remuneration?

3. Is the said John Jardine still in the employ of the government or of any department thereof?

4. If so, in what capacity, and what salary?

Mr. DURANLEAU:

1. Yes.

2. Temporary fishery guardian. $90 per month, less 10 per cent.

3. Yes.

4. Answered by No. 2.

RADIO BROADCASTING SERVICE

Mr. BOTHWELL:

1. (a) What is the cost to the radio commission, since its establishment, for use of telegraph lines for broadcasting purposes; (b) how much was paid to the C.P.R. telegraph service in this connection; (c) how much was paid to the C.N.R. telegraph service in this connection?

2. (a) What amount was paid for telegrams by the commission on matters concerning programs, instructions to representatives and other business of the commission; (b) how much to C.P.R. telegraph service; (c) how much to C.N.R. telegraph service?

3. What has been the cost to the radio commission for telephone services, including long distance connections?

4. (a) Has any expense been incurred by the radio commission for trans-Atlantic cables; (b) or telephone service? If so, how much?

5. (a) What is the cost of office space for the radio commission; (b) what is the expense of the leases held from the Canadian National Carbon Company?

6. What is the cost of station leases for the following stations on a monthly basis: CJCB Sydney, N.S.; CHNS Halifax, N.S.; CFCY Charlottetown, P.E.I.; CHGS Summerside, P.E.I.; CFNB Fredericton, N.B.; CFBO Saint John, N.B.; CHNC New Carlisle, P.Q.; CRCS Chicoutimi, P.Q.; CHRC Quebec, P.Q.; CFCF Montreal, P.Q.; CRCM Montreal, P.Q.; CKCH Hull, P.Q.; CRCO Ottawa, Ont.; CRCT Toronto, Ont.; CKNC Toronto, Ont.; CKOC Hamilton, Ont.; CKPC Preston, Ont.; CFPL London, Ont.; CFCO Chatham, Ont.; CFCH North Bay, Ont.; CKPR Fort William, Ont.; CKY Winnipeg, Man.; CKX Brandon, Man.; CJRW Fleming, Sask.; CJGX Yorkton, Sask.; CHWC Regina, Sask.; CHAB Moose Jaw, Sask.; CJRM Moose Jaw, Sask.; CFQC Saskatoon, Sask.; CKCK Regina, Sask.; CFCN Calgary, Alta.; CJCA Edmonton, Alta.; CKUA Edmonton, Alta.; CJOC Lethbridge, Alta.; CFJC Kamloops, B.C.; CKOV Kelowna, B.C.; CHWK Chilliwack, B.C.; CRCV Vancouver, B.C.?

7. What is the cost of operation and maintenance of Canadian Radio Commission stations, monthly basis—salaries, power, repairs, depreciation, and rentals?

8. What is the cost of remote control installations for broadcast purposes on commission programs?

9. How much money has been spent by the commission for radio broadcasting during the months of November and December, 1933?

10. How much money has been invested in stations taken over or operated under the supervision of the commission?

11. Why is a radio inspector under the radio commission required to act as monitor for programs in order to locate inductive interference?

12. What is the cost to the commission of talent such as orchestras, singers, bands, players, etc., on the following stations: CJCB Sydney, N.S.; CHNS Halifax, N.S.; CFCY Charlottetown, P.E.I.; CHGS Summerside, P.E.I.; CFNB Fredericton, N.B.; CFBO Saint John, N.B.; CHNC New Carlisle, P.Q.; CRCS Chicoutimi, P.Q.; CHRC Quebec, P.Q.; CFCF Montreal, P.Q.; CRCK Montreal, P.Q.; CKCH Hull, P.Q.; CRCO Ottawa, Ont.; CRCT Toronto, Ont.; CKNC Toronto, Ont.; CKOC Hamilton, Ont.; CKPC Preston, Ont.; CFPL London,

Ont.; CFCO Chatham, Ont.; CFCH North Bay, Ont.; CKPR Fort William, Ont.; CKY Winnipeg, Man.; CKX Brandon, Man.; CJRW Fleming, Sask.; CJGX Yorkton, Sask.; CHWC Regina, Sask.; CKCK Regina, Sask.; CHAB Moose Jaw, Sask.; CJRM Moose Jaw, Sask.; CFQC Saskatoon, Sask.; CFCN Calgary, Alta.; CJCA Edmonton, Alta.; CKUA Edmonton, Alta.; CJOC Lethbridge, Alta.; CFJC Kamlops, B.C.; CKOV Kelowna, B.C.; CHWK Chilliwack, B.C.; CRCV Vancouver, B.C.?

13. What salaries are paid to regional directors?

14. What salaries are paid to the musical arrangers of the commission?

15. What is the salary of the western commissioner stationed at Regina?

16. What has been the cost of the publicity department of the commission?

17. What has been the total cost of all the activities of the radio commission since its inception?

18. Is the station CJRM located at Belle Plaine operating on what is known as loose coupled or tight coupled system of broadcasting?

Mr. BENNETT: Mr. Speaker, I ask the sympathetic consideration of this question by this house. We cannot have a radio commission service nationally owned, if this question is to be answered, and I think we might as well make up our minds at this time. A few days ago a motion was passed to set up a select committee to deal with these matters and I ask the hon. member to defer his inquiry until that committee is sitting. At that time he can conclude whether or not it is in the public interest that his question should be answered by the committee and placed upon the records of the proceedings there.

Mr. BOTHWELL: Will it be possible to obtain the information from the committee to be set up?

Mr. BENNETT: It will be much easier to obtain it there than it would be to obtain it here.

Question dropped.

MR. ARTHUR MOXON

Mr. BRADETTE:

1. What is the total amount of salary paid to Mr. Arthur Moxon, secretary, Duff commission?

2. What is the total of his expense account to date?

3. Did he receive a per diem allowance? If so, how much?

4. How many days did he work in the capacity of secretary for this commission?

5. Did he receive salary or expense moneys in any other capacity on the commission? If so, what is the total?

Mr. RHODES:

1. $5,025.00.

2. $3,458.20.

[Mr. Bothwell.]

3. Salary—$25. per diem; Living allowance —$15. per diem.

4. 201.

5. No.

BUREAU FOR TRANSLATIONS

Mr. DESROCHERS:

1. How many translators, since July, 1930, have been promoted or assigned to other functions than translation, have passed away or have been superannuated, thus creating among translators of both houses and of the departments, vacancies which have not been filled?

2. What are the respective names of these former translators, their rank and salaries at the date of their promotion, displacement, superannuation or death?

Mr. CAHAN: As this question was answered last week, the hon. gentleman agreed that it should be dropped.

Question dropped.

Mr. FOURNIER:

1. Will the project of centralization of the translation service presented by the Secretary of State include the dismissal of certain translators?

2. Will all the translators included in the central bureau of translation, the chief excepted, have the same status?

3. If so, is the government now considering a revision upwards of the salaries of the translators less remunerated who will be called upon to perform the same work as their colleagues?

4. If so, in what proportion?

Mr. CAHAN: The object of the government is to place the several translation services of parliament and of the government on a permanent statutory basis as an organized branch of the administration of the federal government of Canada, and to provide that all official documents may be efficiently and speedily translated either into the French or into the English language, as required, and that such translations may, thereafter, be dispatched or printed and distributed without unnecessary delay.

The organization of the proposed bureau for translations, as provided in Bill No. 4, will be effected by the Civil Service Commission in consultation with the deputy ministers of the several departments of the public service which are affected thereby or interested therein. To maintain the proposed higher status of this service and improve its efficiency and usefulness, it is desirable that the services of all expert translators, who are now in the public service, should be utilized in the organization of the proposed bureau, and that a minister of the crown should, thereafter, assume responsibility to the government and to parliament for the due administration of this branch of the public service.

DORION-VAUDREUIL MAIL TRANSPORTATION

Mr. THAUVETTE:

1. Has the contract for the transportation of mail from Dorion, Vaudreuil county, to Vaudreuil village, and vice versa, been awarded?
2. If so, to whom, and what cost?
3. If not, why has it not been awarded?
4. Who were the other tenderers, if any, and what was the amount of the respective tenders?

Mr. DUPRE:

1. Yes.
2. J. T. Lalonde, at $240 per annum.
3. Answered by No. 2.
4. François Bourgardez, $250 per annum; Aimé Charlebois, $318 per annum; Avila Cousineau, $360 per annum.

UNEMPLOYMENT RELIEF, RICHMOND-WOLFE

Mr. LAFLECHE:

1. Has the provincial government of Quebec suggested to the federal government the carrying out of certain works to aid unemployment in the county of Richmond-Wolfe, provincial division, during the years 1930, 1933, and 1934, according to the Gordon-Francoeur understanding?
2. If so, what amount has been allowed for each item?

Mr. GORDON:

1. During the year 1930 there was no so-called Gordon-Francoeur agreement. During the year 1933-34, an agreement respecting unemployment relief was entered into under date of July 26, 1933, between the dominion and the province of Quebec, signed on behalf of the latter by the Hon. J. N. Francoeur, and by the Hon. W. A. Gordon, on behalf of the dominion. Proposed relief works for the counties of Richmond and Wolfe were submitted to the dominion for approval in accordance with the terms of the aforementioned agreement.

2. Statement attached sets forth the relief works approved for the counties of Richmond and Wolfe under the terms of the said agreement.

County of Richmond—

Schedule No. 296

Colonie St. Denis (Brompton)—Road works through Brompton township. For the needy unemployed in St. Denis colony and surrounding district. Undertaking to be carried out by the Department of Colonization.

Total estimated cost	$1,500 00
Total estimated labour cost	1,000 00
Man-days work provided by project	625
Basis of contribution	$0.50 per man-day
Dominion proportion	312 50

Schedule No. 300

Town of Richmond—Richmond county—improvements to waterworks.

Total estimated cost	$26,000 00
Total estimated labour cost	7,200 00
Basis of contribution	33⅓ of $7,200 00
Dominion proportion	2,400 00

County of Wolfe—

Schedule No. 419

Wolfe county—highway No. 1—parish of Disraeli,—blasting of rock in order to straighten and widen the road near the village of Disraeli, and other improvements—to remedy unemployment at Disraeli village and parish.

Total estimated cost	$5,000 00
Total estimated labour cost	4,000 00
Man-days work provided by project	2,500
Basis of contribution	$0.50 per man-day
Dominion proportion	1,250 00

MARITIME PROVINCES, LOANS OR ADVANCES

Mr. MICHAUD:

1. How much money, if any, was advanced by way of loan or loans, guarantee or guarantees by the government to the three eastern maritime provinces, or any of them since 1930, and to what province was the loan or guarantee made, and the amount of each?
2. Did any of the three eastern maritime provinces default in the payment of its obligations since 1930?
3. If so, what province, when did it default, and for what amount?

Mr. RHODES:

1. Nil.

2 and 3. Answered by No. 1.

AGRICULTURAL PRODUCTS PRICES

Mr. FERLAND:

During each of the last twelve months, what were the wholesale and retail prices, at Montreal, Toronto and Winnipeg, of the following agricultural products: (a) milk; (b) cream; (c) butter; (d) cheese; (e) eggs?

Mr. STEVENS:

Dominion Bureau of Statistics—Internal Trade Branch

Wholesale and Retail Prices of Specified Dairy Products, January, 1933-January, 1934

—	Jobbing price of butter, No. 1 creamery prints at Montreal, per pound	Retail price of butter, creamery prints at Montreal, per pound	Jobbing price of butter, No. 1 creamery prints at Toronto, per pound	Retail price of butter, creamery prints at Toronto, per pound	Butter, creamery, finest prints, f.o.b. plant, Winnipeg, per pound	Retail price of butter, creamery prints at Winnipeg, per pound	Cheese, large, new, at Montreal, per pound	Retail price of cheese, kind most sold at Montreal, per pound	Cheese, large, coloured, new, at Toronto, per pound	Retail price of cheese, kind most sold at Toronto, per pound	Ontario, large, new, f.o.b. plant, Winnipeg, per pound	Retail price of cheese, kind most sold at Winnipeg, per pound
1933	$	$	$	$	$	$	$	$	$	$	$	$
January	·235	·260	·238	·263	·230	·253	·098	·191	·103	·237	·135	·212
February	·241	·255	·241	·262	·220	·250	·098	·188	·103	·235	·135	·207
March	·271	·272	·267	·272	·250	·260	·110	·190	·115	·234	·143	·205
April	·273	·291	·267	·292	·240	·280	·100	·186	·110	·210	·145	·204
May	·223	·262	·223	·275	·220	·243	·103	·186	·100	·227	·130	·215
June	·209	·230	·211	·238	·200	·221	·108	·182	·113	·212	·130	·205
July	·224	·236	·228	·243	·210	·220	·108	·180	·110	·215	·140	·209
August	·213	·244	·224	·257	·220	·241	·105	·185	·110	·221	·140	·202
September	·211	·233	·215	·246	·190	·236	·110	·186	·110	·221	·138	·209
October	·211	·240	·219	·244	·190	·223	·105	·187	·105	·225	·145	·208
November	·229	·239	·230	·243	·210	·228	·100	·186	·108	·223	·130	·205
December	·253	·246	·252	·253	·230	·245	·100	·187	·108	·219	·140	·213
1934												
January	·272	·283	·272	·287	·260	·273	·105	·182	(a) ·108	·218	·140	·211

—	Milk, fresh, price to hotels, restaurants, etc. per gallon at Montreal	Retail price of milk per quart at Montreal	Milk, fresh, price to hotels, restaurants, etc. per gallon at Toronto	Retail price of milk per quart at Toronto	Milk, fresh, price to hotels, restaurants, etc. per gallon at Winnipeg	Retail price of milk per quart at Winnipeg	Cream, price to hotels, restaurants, etc., per gallon			Eggs, fresh extras, per dozen, at			Retail prices of eggs, fresh, per dozen, at		
							15 p.c. butterfat, Montreal	16 p.c. butterfat, Toronto	18 p.c. butterfat, Winnipeg	Montreal	Toronto	Winnipeg	Montreal	Toronto	Winnipeg
1933	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
January	·270	·090–·110	·270	·100	·250	·100	1·200	1·120	1·100	·318	·285	·283	·457	·420	·463
February	·270	·070–·100	·270	·100	·250	·100	1·200	1·120	1·100	·250	·236	·275	·350	·300	·332
March	·260	·060–·090	·270	·100	·250	·100	1·200	1·120	1·100	·235	·218	·243	·300	·282	·367
April	·260	·060–·090	·270	·100	·250	·100	1·200	1·120	1·100	·205	·188	·146	·282	·232	·248
May	·260	·060–·090	·270	·100	·250	·100	1·000	1·120	1·100	·190	·185	·145	·240	·219	·191
June	·260	·070–·090	·270	·100	·250	·090	1·000	1·120	1·000	·210	·205	·156	·233	·212	·209
July	·260	·070–·090	·270	·100	·250	·090	1·000	1·120	1·000	·229	·215	·175	·252	·241	·219
August	·260	·070–·100	·310	·110	·250	·090	1·000	1·120	1·000	·239	·216	·171	·265	·258	·231
September	·270	·070–·100	·310	·110	·250	·100	1·000	1·120	1·000	·295	·266	·189	·280	·264	·253
October	·270	·070–·100	·310	·110	·250	·100	1·000	1·120	1·000	·390	·379	·290	·337	·314	·300
November	·270	·070–·100	·310	·110	·250	·100	1·000	1·120	1·000	·494*	·464*	.....	·404	·438	·408
December	·270	·070–·100	·310	·110	·250	·100	1·000	1·120	1·000	·403*	·371*	·400*	·496	·504	·483
1934															
January	·270	·070–·100	·310	·110	·250	·100	1·000	1·120	1·000	·344*	·322*	·310*	·438	·419	·437

(a) Nominal. * Grade A Large.
N.B.—Retail prices shown are predominant prices. They do not compare directly with wholesale quotations shown.

WAR CLAIMS AND REPARATIONS

Mr. RINFRET:

1. Has Justice Errol McDougall completed his work in connection with the war claims and reparations, and has he finally reported?
2. Are any of these war claims still unpaid?
3. If so, how many, and for what amount?

Mr. CAHAN:

1. Yes. Mr. Justice McDougall's interim report, dated November 30, 1932, and his final report, dated March 4, 1933, were presented to parliament on March 13, 1933.
2. Yes.
3. Four claims remain unpaid through inability to ascertain the addresses of the four claimants. They amount to $3,057.64.

NATURALIZATION CERTIFICATES

Mr. RINFRET:

1. What is the total number of naturalization certificates which were granted in the following years: (a) 1930; (b) 1931; (c) 1932; (d) 1933?
2. Have all the applications been first submitted to a court of justice?
3. If not, how many cases have been dealt with, in each of the years mentioned, by direct action of the department?

Mr. CAHAN:

1. (a), 10,904; (b), 14,790; (c), 18,739; (d), 15,240.
2. No. It is only applications under section 4, subsection 1, of the Naturalization Act, which are submitted to the courts.

Certificates were granted under section 4, subsection 1, as follows:

In 1930, 10,307; in 1931, 14,151; in 1932, 17,567; and in 1933, 14,382.

3. (1) Certificates granted to women, who were British subjects previously to marriage to aliens and who resumed British nationality under section 4, subsection 5: in 1930, 9; in 1931, 6; in 1932, 15; in 1933, 26.

(2) Special certificates granted by the Minister under section 6 in cases of doubt: in 1930, 2; in 1932, 6; in 1933, 7.

(3) Certificates granted to minors in special circumstances under section 7, subsection 2: in 1930, 1; in 1931, 2; in 1932, 1; in 1933, 5.

(4) Certificates of naturalization granted under section 8 of the Naturalization Act to persons who were naturalized, prior to 1914, under previous acts of parliament of Canada: in 1930, 585; in 1931, 631; in 1932, 599; in 1933, 493.

(5) Certificates of retention of British nationality issued under section 13, clause (4), to women of British nationality marrying aliens: in 1932, 22; in 1933, 33.

(6) Acquisition by wives of British nationality under section 13, clause (5): in 1932, 549; in 1933, 1,293.

[Mr. Stevens.]

COMPANY INCORPORATIONS

Mr. RINFRET:

1. How many incorporations to companies have been granted in 1932, and in 1933?
2. What has been the revenue issuing from said incorporations in 1932; and in 1933?
3. What recommendations, if any, have been made as the result of the interprovincial conference of 1934, regarding the incorporation of companies by the federal government?

Mr. CAHAN:

1. In calendar year 1932, 564; in calendar year 1933, 550.
2. In calendar year 1932, $212,871.65; in calendar year 1933, $200,008.08.
3. Proposed amendments to the Companies Act (Canada) are now being considered by the attorneys general of the several provinces.

PATENT AND COPYRIGHT BRANCH

Mr. RINFRET:

1. Has the branch of patent and copyright been merged into the department of the Secretary of State?
2. If so, what is the date of the order in council putting same into effect?
3. What is the status of the Commissioner of Patents and Copyrights in relation to the Under Secretary of State?

Mr. CAHAN:

1. The Secretary of State is the minister under whom the commissioner of patents performs his duties, as provided by section 5 of The Patent Act and by section 8 of The Copyright Amendment Act, 1931; and by orders in council P.C. 2281 of the 29th of November, 1927; P.C. 2338 of the 9th of December, 1927; P.C. 2337 of the 10th of December, 1927, and P.C. 20 of the 16th of January, 1932.

2. Answered by No. 1.

3. All branches of the public service which are now concerned with the administration of the Patent Act and the Copyright Act, as above stated, have been transferred to and vested in the Department of the Secretary of State, under the Secretary of State of Canada, as minister, and under the Under Secretary of State, as deputy minister, with authority to such deputy minister to exercise such powers as may lawfully be exercised by such deputy.

SECRETARY, RAILWAY COMMISSION

Mr. GOTT:

1. Is the Mr. Cartwright who was described in answer to question number 35, Monday, February 12, as being 69 years of age and drawing a salary of $6,000, less ten per cent, per annum, the same Mr. Cartwright who was secretary of the Board of Railway Commissioners in 1930?

2. (a) On what date was he born; (b) where?
3. When did he enter the government service?
4. How many passes were issued by the railways of Canada in the year 1930: (a) long service annual passes; (b) other annual passes; (c) trip passes; (d) trip passes issued to members of parliament, government employees, and press representatives?

Mr. MANION:

1. Yes.
2. (a) September 20, 1864; (b) Kingston, Ontario.
3. Mr. Cartwright was appointed secretary of the Board of Railway Commissioners by order in council, dated February 1, 1904.

4.

	Canadian National Railways	Canadian Pacific Railway	Both Lines
Long Service annuals to employees	77,212	62,683	139,895
Other annual passes	16,858	21,351	38,209
Trip passes to dependents of senators and members, government employees and press	6,011	5,067	11,078
Other trip passes, mainly railway employees and dependents	288,639	266,659	555,298

BUTTER EXPORTS AND IMPORTS

Mr. BERTRAND:

1. How many pounds of butter were exported to England, each month, during the year 1933?
2. How many pounds of butter were imported from England each month, during the year 1933?

Mr. STEVENS:

1. Canada's domestic exports of butter in pounds, to the United Kingdom, each month, during the calendar year 1933, were:

Months	Pounds
January	—
February	—
March	—
April	—
May	—
June	—
July	—
August	55,700
September	1,608,200
October	1,648,300
November	406,200
December	100
Calendar Year 1933	3,718,500

2. Canada's imports of butter in pounds, from the United Kingdom, each month, during the calendar year 1933, were:

Months	Pounds
January	8,904
February	10,976
March	8,064
April	71,008
May	57,848
June	336
July	6,216
August	2,912
September	—
October	—
November	—
December	4,200
Calendar Year 1933	170,464

SOUTH SHORE ST. LAWRENCE FISHERIES

Mr. CASGRAIN:

1. What is the number of fishermen carrying on salmon fishing, on the south shore of Matane, Gaspe, to la Pointe a la Croix, Bonaventure county?
2. What is the number of fishermen carrying on salmon fishing, on the north shore, Saguenay county, from Tadoussac to Blanc Sablon, in the Canadian Labrador?
3. What is the value of the fishing equipment used for salmon fishing on the south shore and the north shore, as mentioned above?
4. What was the quantity of salmon taken during the last fishing season on the north shore and the south shore, as mentioned above?

Mr. DURANLEAU:

1. 227 in 1933.
2. 249 in 1933.
3. A portion of the fishing equipment used in salmon fishing is also used in other fishing. Value of that used for salmon alone not available.
4. North shore, 6,505 cwts; South shore, 5,421 cwts.

Mr. CASGRAIN:

1. What is the number of fishermen carrying on the fishing of cod, on the south shore of Matane, Gaspe to la Pointe a la Croix, Bonaventure county?
2. What is the number of fishermen carrying on the fishing of cod, on the north shore, Saguenay county, from Tadoussac to Blanc Sablon, in the Canadian Labrador?

3. What is the value of the fishing equipment used in the fishing of cod on the south shore and north shore, as mentioned above?

4. What was the quantity of cod fish taken during the last fishing season on the north shore and the south shore, as mentioned above?

Mr. DURANLEAU:

1. 5,412 in 1933.

2. 1,381 in 1933.

3. A portion of the equipment used for cod fishing is also used in other fishing. The value of all fishing equipment used in these areas in 1933 was,—south shore, $880,984; north shore, $391,531.

4. North shore, 113,772 cwts; south shore, 323,705 cwts.

MILK INQUIRY—COST

Mr. RHEAUME:

1. What was the cost, to the state, for the milk inquiry?

2. In connection with the said inquiry, what amount has the government paid, (a) to the witnesses; (b) to the lawyers; (c) what are the names of the lawyers?

Mr. CAHAN:

1. Printing costs.

Day to day copy of proceedings and evidence,—English.. .. ..$	2,754 74
Blue book—French translation..	3,800 91
Total printing costs.. ..$	6,555 65

2. (a) Paid to witnesses.. .. ..$ 1,306 99

(b) None.

(c) No lawyers employed.

KAMLOOPS, B.C., POST OFFICE

Mr. HANBURY:

1. Were tenders called for replacing of the boilers in the old post office building, Kamloops, British Columbia, during 1932?

2. If so, were such tenders advertised, in what papers and on what dates?

3. Who were the tenderers, and what was the amount of each tender?

4. Who was the successful tenderer?

Mr. STEWART (Leeds):

1. Yes.

2. No, but tenders invited from local firms by district resident architect.

3. Tenders invited from four firms namely: Johnson & Co.; W. J. Moffatt; W. J. Ellis & Co.; Kamloops Plumbing & Heating Co. Tenders received from: Kamloops Plumbing & Heating Co., $976; W. J. Moffatt, $1,007.

4. Kamloops Plumbing & Heating Co.

[Mr. Casgrain.]

LAMEQUE, N.B., MAIL DELIVERY

Mr. VENIOT:

1. Have tenders been called for delivery of mail from Lameque, Gloucester county, New Brunswick, to Little Shippigan?

2. If so, has a contract been awarded, to whom and at what price?

3. Who tendered and what was the amount of each tender?

Mr. DUPRE:

1. Yes.

2. Yes, Omil Hache, $396 per annum.

3. Omil Hache, Lameque, $396 per annum; Napoleon Hache, Lameque, $440 per annum; Leon R. Poulin, Savoy Landing, $485 per annum; Stanislas Hache, Lameque, $489 per annum; Edgar Chiasson, Island River, $495 per annum; Adalbert Robichaud, Lameque, $525 per annum; Albert F. Chiasson, Lameque, $590 per annum; Philippe Rail, Lameque, $600 per annum; Amedee L. Duguay, Little Lameque, $600 per annum; William R. Gibbs, Little Lameque, $650 per annum; Johnny Hache, Lameque, $660 per annum; Isaac Duguay, Little Lameque, $675 per annum; Thomas J. Wilson, Little Shippigan, $694 per annum; Azade J. Chiasson, Lameque, $695 per annum.

CREAM SEPARATOR IMPORTATIONS

Mr. NEILL:

1. How many cream separators were imported into Canada during the calendar years, 1932 and 1933, giving each year separately, and showing the country from whence imported in each case?

2. What was the number of cream separators manufactured in Canada during the years 1932 and 1933?

Mr. STEVENS:

1. The number of cream separators imported into Canada, by countries, for the calendar years 1932 and 1933, was:

Imports from—	1932	1933
	No.	No.
United Kingdom..	2	535
United States..	3,521	4,325
Denmark..	3	2
Finland..	184	37
Germany..	618	427
Sweden..	3,030	4,234
Total Imports..	7,358	9,560

2. The number of cream separators manufactured in Canada in 1932 amounted to 3,324 separators.

No information available at this date respecting the production of cream separators in Canada for the calendar year 1933.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PACIFIC ENGINEERS LIMITED

Mr. NEILL:

How many contracts have been awarded during the calendar years 1932 and 1933 to the Pacific Engineers, Limited, of Vancouver, by any department of the Dominion government, including the Vancouver harbour commission, and what was the total amount of such contracts?

CAMPBELLTON, N.B. WHARF

Mr. MICHAUD:

1. How much money was received by the Department of Marine, between May 1, 1933, and December 31, 1933, inclusive, for wharfage at the wharf at Campbellton, New Brunswick, and the one at Restigouche, Quebec?
2. What are the names of the vessels that paid said wharfage?
3. How much money was expended by the government for repairs to the ferry wharf, Campbellton, New Brunswick, in each year from September 1, 1930, to December 31, 1933?
4. How much money was expended for repairs to public wharf at Campbellton, New Brunswick, from September 1, 1930, to December 31, 1933, and what are the details?

Mr. CAHAN: Return tabled herewith.

LEGAL SERVICES

Mr. REID:

1. What lawyers, of Vancouver or New Westminster, were engaged by the government during the year 1933, and January, 1934?
2. For what specific purpose was each engaged?
3. What respective amounts were paid by way of fees, emoluments or expenses to each of these lawyers so engaged?
4. What amounts, if any, are still outstanding?

CANADIAN AGRICULTURAL CREDIT COMMISSION

Mr. FERLAND:

1. In what year did the Canadian Agricultural Credit Commission begin making loans to the farmers?
2. What is the number of farmers who have contracted loans, in accordance with the Canadian Agricultural Credit Act, in each province and during each year separately?
3. In each province, what is the total amount borrowed from the said commission, since its organization and during each year separately?

Mr. RHODES: On the assumption that the hon. gentleman's question has reference to the farm loan board, I am tabling the return forthwith.

Mr. BENNETT: That is the farm loan board but not commercial credits.

MILITARY TRAINING—ST. JOHN, QUE., SUMMER CAMP

Mr. RHEAUME:

1. How many, (a) regiments; (b) soldiers, have taken part in the military exercises at the summer camps at Saint John during the year 1933?
2. How many days did each regiment remain at these summer camps, and what is the name of each regiment?
3. Of what military district does each regiment form part?
4. By what railroad was each regiment or the soldiers transported to the said summer camps?
5. What is the amount received by the Canadian Pacific Railway and the Canadian National Railways?
6. What is the total number, (a) of officers; (b) of soldiers, who have attended these military camps?
7. What amount was paid in salaries, (a) to the officers, (b) to the soldiers?
8. What has been the cost of each one of these camps, (a) in salaries; (b) for all other expenses?

MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF CAMP, DUNDURN, SASK.

Mr. TOTZKE:

For a return showing:

1. List of all supplies for the Dundurn, Saskatchewan, unemployment relief camp, for which tenders were asked.
2. Copy of forms used in calling for tenders.
3. Copy of all tenders submitted for all goods supplied at this camp, and list of names of successful tenderers.

VAUDRIN UNEMPLOYMENT RELIEF PLAN

Mr. DENIS:

For a copy of all correspondence exchanged between the right hon. R. B. Bennett, Prime Minister, and Mr. Geo. C. Vaudrin, in connection with the Vaudrin plan and the means to solve the crisis of unemployment, from the first of January, 1933, to the present day.

NOVA SCOTIA POST OFFICES

Mr. DUFF:

For a return giving a list of post offices in Nova Scotia whose net revenue is between $200 and $3,000. Also the gross revenue of the same classes of offices, with names of post offices and the figures set opposite each.

UNEMPLOYMENT RELIEF

Mr. MICHAUD:

For a copy of all correspondence, telegrams, contracts, agreements and pay lists, statements of payments and other documents, exchanged between the Minister of Labour, or any minister of the government, and the government of the province of New Brunswick or any member

or employee thereof, regarding unemployment relief, and showing what amount contributed by Dominion government to province of New Brunswick from September 1, 1930, to February 1, 1934, for relief of unemployment.

Mr. GORDON: It will be noted that this motion contemplates copies of all correspondence, telegrams, contracts, agreements, pay lists, statements and so forth, from September 1, 1930 to February 1, 1934. There is no objection to having this motion pass the house, but I can frankly state that there is no possible hope, with the available staff, of having the return ready for this session of parliament. It will entail a very long statement with copies of the documents themselves. I have seen what is contemplated and I feel certain that during this session of parliament it could not possibly be prepared with the present staff. If the hon. member has in mind any particular activity in the province of New Brunswick, which was carried on with respect to unemployment, and in which he is interested, if he cares to see me I shall be very glad to have prepared for him those portions of the documents which are asked for in this motion, and have it supplied with the least possible delay. I believe that on reflection the hon. member will drop the motion and follow my suggestion. If he comes and sees me I think I can give him within a reasonable time copies of all records he requires.

Mr. MICHAUD: I must thank the minister for the valuable information he has just submitted. I regret if, by moving this motion, I have obliged him to go to a great deal of trouble. Before placing the motion on the order paper I had been given to understand, from sources in New Brunswick, that with regard to these matters there was very little correspondence and documentary evidence exchanged between the two departments. However, I am pleased to accept the minister's invitation. I will try to obtain the information in the way he has suggested, and if not successful then I shall be at liberty to come again.

Motion dropped.

BAGOTVILLE, QUE., POST OFFICE

Mr. HEENAN (for Mr. Casgrain):

For a copy of all correspondence, reports and documents, in connection with the appointment and dismissal of Mr. Jos. C. Levesque, postmaster at Bagotville, and also for a copy of all correspondence, reports and other documents relating to an inquiry held in connection with charges made against said J. C. Levesque, including the proof and evidence of all the witnesses heard at said inquiry together with the decision arrived at by the commissioner who held said inquiry.

Mr. DUPRE: Apparently there is some misunderstanding about this question and I will ask you to let the matter stand, Mr. Speaker, until the hon. member for Charlevoix-Saguenay (Mr. Casgrain) is present.

Motion stands.

AIR MAIL SERVICES

Right Hon. R. B. BENNETT (Prime Minister): With the consent of the house I should like to answer the inquiry made by the hon. member for Vancouver-Burrard (Mr. Hanbury) a few days ago. He inquired as to the policy of the government with respect to the transportation of mail by air. I can only say to him that the matter rests entirely upon financial considerations, and if, as and when financial conditions warrant, the government will announce its policy in the matter.

WATER TRANSPORTATION

PROPOSED IMPOSITION OF TOLLS ON TRAFFIC THROUGH CANADIAN CANALS

Mr. PETER McGIBBON (Muskoka-Ontario) moved:

That, in the opinion of this house, it is expedient, in view of the large amounts of money invested by the dominion in canals and railroads, that all goods shipped through the canals owned and operated by the Government of Canada be subject to taxation.

He said: The motion standing on the order paper in my name, which you have just read, Mr. Speaker, is one I shall discuss for a few minutes this afternoon from the standpoint of finance and present-day business and transportation. It is not my intention to ask this country or this government to do anything contrary to the usual practice of the nations of the world to-day; that, I think, would be impossible. The seas are the common highway of mankind; on them there are no preferred claims, no prescriptive rights. And what pertains to the seas pertains also, to a lesser degree, to the navigable streams of this or any other country. When nature has placed impediments that have to be circumvented or removed by man and these obstructions are overcome it is a recognized fact that countries incurring that expense are entitled to collect tolls to reimburse them for their outlay. But I think it is also a generally recognized international practice that there must be no discrimination between

countries. That was first laid down, in a treaty between Great Britain and the United States in 1850, the Clayton-Bulwer treaty. It was reiterated in the Washington treaty of 1870 and again in the convention of Constantinople which regulated tolls on the Suez canal. The principle was again recognized in the Hay-Pauncefote treaty of 1901 and lastly in the treaty signed at Washington in 1910 between Canada and the United States. Nearly all these treaties carry similar clauses. As the Clayton-Bulwer treaty was superseded by the Hay-Pauncefote treaty we can pass that over. But we find in the convention of Constantinople, which was signed by Great Britain, Russia, France, Spain, Italy and Germany, the following clause regarding the Suez canal:

> The Suez maritime canal shall always be free and open in time of war as in time of peace to every vessel of commerce or war without distinction of flag.

That again was copied almost word for word in the Hay-Pauncefote treaty of 1901 and a similar idea is expressed in the Washington treaty and the treaty of 1910 in connection with the international boundary waters of Canada and the United States. Consequently, I do not think it would be wise, as so many journals and some individuals in Canada are suggesting to-day, to discriminate either for or against any other country, but rather, we should exercise our rights as they are being exercised by other nations and levy on the tonnage going through our canals a sufficient tax to recompense us, at least in part, for the great expenditures we have made.

In this day and generation it is a fair maxim that every service which is costing the country a considerable sum of money should bring us some return. If we stop for a moment to look at the vast sums of money that we have tied up in our water transportation systems I think the house and the country will agree with me that the dominion should get some return. We have some $245,000,000 invested in canals, $280,000,000 invested in wharves and harbours and, as nearly as I can find out, something over $100,000,000 invested in elevators through harbour commissions and such-like. In addition to that, we have spent some $30,000,000 or $35,000,000 in dredging the St. Lawrence river. It may be a surprise to the house to know that the return to the public treasury on this vast sum of $600,000,000 or $700,000,000 is practically nothing. If you take this sum and compound the interest at, say four per cent from the time of the investment, the total amount involved would simply stagger the country.

The time has come when we should levy on the tonnage passing through these waterways a tax that would bring at least some revenue back to the public treasury. It seems almost incomprehensible that a country owning a railway in which we have invested some $2,600,000,000, would build a water transportation system in competition with it for some 1,426 miles and run it absolutely free to every nation in the world. But that is what we have done. We make the railways build their tracks, buy their equipment, construct their terminals and operate them; then in competition we put a free waterway transportation system costing us the gross sum of $600,000,000 or $700,000,000. More than that, incredible as it may seem, every province is spending hundreds of millions of dollars on highways in competition with our railways. Ontario alone has spent $406,000,000 on highways and gravelled roads; Quebec has spent $158,000,000 in the same way, and as I have said, we have invested between $600,000,000 and $700.000,000 on a waterway system which we have made free; the highways are practically free and yet we expect our two great railway systems to meet competition of that kind and earn their expenses and some return on their investment. The whole thing is incredible.

What has been the result? Let me give just a few instances. I was raised in the county of Lambton and ore from Duluth used to come down to Point Edward in that county, being reshipped from there over the national railways to Hamilton where it was used. During the two years preceding the opening of the Welland canal more than 1,000,000 tons of ore were carried to Point Edward and on that carriage the railway received more than half a million dollars. To-day every ton of that business is lost to the railroad; the ore is now carried by United States vessels from Duluth to Hamilton. The net result is that Canada is simply bonusing United States ships to come in and take business away from our own railway.

Flour transportation from Port Arthur and Fort William is in the same position. Previously, that flour was ground and shipped to Port McNicoll and Point Edward. Since the Welland canal has been opened I am informed that the railways have lost business amounting to $1,250,000 per annum, that tonnage being nearly all carried by boats and one-third of those being foreign. Last year tonnage to the amount of 9,000,000 tons went through the Welland canal and over one-third of it was carried by ships built in foreign countries by foreign workmen and manned by foreign

sailors. We build a waterway transportation system and give it to them free, asking them to come in and compete against our own railway transportation systems.

Take the coal that comes into Toronto. For many years that came in over our railway systems. To-day it comes in by water and the two railways are now losing more than $1,000,000 of business per annum. That has also gone partly to foreign ships. Two years ago 90,000 tons of pulpwood from Norway was carried in free through our canals, thus helping to depress the product of our own industries in the markets of Canada and the United States. That is part of the result of allowing free transportation over our waterways.

There is no doubt that the government has power to impose tolls. I could refer the house to the different treaties which I have read and which give us that power. There is a Canadian statute in which that is set out, but the greatest proof of all is that we did impose tolls and they were not abolished until 1905. I have under my hand the order in council passed in June, 1905, but as no reasons are given for the abolition of tolls, we must assume what those reasons were. But whatever the reasons were in 1905, they no longer exist. A great deal of water has gone under the bridge since then. At that time Canada had an interest bill of only $7,000,000 on its funded debt; to-day we have an interest bill of $134,000,000. The national debt was then somewhere under $300,000,000, whereas to-day it is $2,600,000,000 or $2,700,000,000. At that time we did not have a great railway system on our hands with a debt of $2,600,000,000 and this is costing and going to cost us from $75,000,000 to $100,000,000 per annum for at least the lifetime of any person in this house. We then did not have to pay $42,000,000 annually in pensions as a result of the great war, nor did we have $130,000,000 invested in the Welland canal. This colossal debt has all been piled up since that time and yet we continue to give free transportation over our inland waterways to all the ships in the world. Every other major canal that I have read anything about has tolls. Tolls are charged on the Panama canal, I saw this morning that last year they amounted to $23,000,000. That is over five per cent of the cost, which was $400,000,000. Last year one third as much tonnage went from Canada through the Panama canal as went through the Welland canal, and on goods going from and coming to Canada we paid over $3,000,000 in tolls to the Panama canal. Yet on the northern side of the United States we let an equal quantity of goods go through our canals for nothing. It is an asinine policy in my opinion, especially for a young country so loaded with debt as we are.

[Mr. McGibbon.]

Some may differ from me, but I say to you, Mr. Speaker, and to this house, that the greatest transportation systems that we ever had and must have in the future are our railways. Confederation would not have been possible had we not been able to carry out the agreement to join the provinces by railway. The railways have been the great instrument of colonization, and we must preserve them. When the Duff commission made its report the railways of Canada gave employment to 163,000 people. They pay in taxes to the different treasuries of this country something over $8,000,000 per year. The canals pay nothing; there are no fees outside of the elevator charges, practically everything that is represented in the total investment is free.

Besides that, sir, this country is spending hundreds of millions on roads, and they are practically free. And now we have started in the air, and have spent some $3,000,000 on that. I think it is only fair that all the services of this country should pay a fair return on the capital invested. We have on the Welland canal alone a loss of about $14,000,000 a year, including interest and amortization. We are spending in actual services and wages over $3,000,000 a year and not charging even that to the traffic.

Mr. HANBURY: Is that for all over Canada ?

Mr. McGIBBON: Yes, all over Canada. We are not even charging that to the traffic, why I do not know. But I do think the time has come when this house should seriously consider the matter. With the great debt we have at the present time and the heavy taxation placed upon this country we cannot afford to go on giving for nothing services of this kind costing $14,000,000 to $15,000,000 a year in cash. Take the budget presented to this house, some $343,000,000 I think in the main estimates, and the supplementary estimates yet to come. Then we have our railway deficits, and when you go into the provincial sphere you have the provinces spending $40,000,000 or $50,000,000 each, and besides that the municipal taxes. In my opinion, sir, this country has got a load that it simply cannot carry. The taxation on the people to-day is grinding them down; I know it cannot be helped but it is shackling the nation. It is up to this parliament and this government to get every dollar they legitimately can get, and I think the canals are one source to which they should look. I

would suggest with all humility to the Minister of Finance that he can raise in this way $10,000,000 a year, basing that estimate on last year's traffic. I see the Prime Minister disagrees—

Mr. MANION: What rate?

Mr. McGIBBON: Same rate as the Panama canal.

Mr. COOTE: It would kill the traffic.

Mr. McGIBBON: Well let me read something that the Coolidge commission said about that. I cannot put my hand on it for the moment, but it is to the effect that traffic that will not bear a reasonable charge for the services entailed should be let go. The late President Coolidge appointed a committee to investigate the question and their report stated that traffic that could not bear a reasonable rate of return on the cost and upkeep of the facilities involved and meet competition should be disbanded. I think that is a fair statement of business facts. Why do the people of this country bonus Norwegian ships to come here and take business away from our own people, ships built in foreign countries and manned by foreigners? If there is any reason I do not know it. The only reason I have seen in print or heard of any place is that free tolls help some classes of business; the pulp and paper business was mentioned. I do not see why one business should be selected and given special favours by a country, allowing its hands to be put in the treasury and money taken out to help that particular industry.

Some hon. MEMBERS: Hear, hear.

Mr. McGIBBON: Someone says "hear, hear." It has been done for a good many years, but that is another point. I am not saying what the rate should be. If there are any industries that are specially dependent on favours in this country the rates could be set accordingly, but to make everything free for the whole world is to my mind absolutely ridiculous. I am going to ask the Minister of Finance to get his government to put this tax on and take it off sugar.

Some hon. MEMBERS: Hear, hear.

Mr. McGIBBON: I know we have got to have the revenue, Mr. Speaker, but I come from a part of the country where the people are very, very poor, and where they are dependent for practically all their fruit on picking and preserving the wild fruit, and I am stating nothing more than the fact when I tell this house that many of them last summer could not preserve their fruit because they could not buy the sugar. Yet at the same time we are bonusing the shipping interests of this country to the extent of $10,000,000 or $11,000,000 a year. I am going to ask the Minister of Railways and Canals to give this question his serious consideration. I think it is a fair business proposition. This country has poured out between $600,000,000 and $700,000,000 on these waterways, and we have an annual expense for upkeep of $3,000,000 or $4,000,000, now likely to increase to $5,000,000, and no returns. I am going to ask the minister not to turn this resolution down, but at least, as one famous statesman in the province of Ontario used to say, "to take it into his favourable consideration."

Mr. HEAPS: Before the hon. member sits down might I ask a question? Does the hon. gentleman know the amount of the annual maintenance charges of these canals, and the annual interest charges on the capital invested?

Mr. McGIBBON: Maintenance charges on the canals amount to $3,000,000 about a year.

Mr. MANION: Does my hon. friend include the interest?

Mr. McGIBBON: No.

Mr. MANION: The maintenance charge is not anything like $3,000,000 on the Welland canal.

Mr. McGIBBON: Well I got my information from the department. "I take my time from the minister's clock." I do not know what the interest charges are, but they are easy to calculate, taking, say, 4½ per cent on the $245,000,000 spent on canals alone. That would come to between $9,000,000 and $10,000,000 wouldn't it? And the revenue is only about $1,000,000 half from the elevator at Prescott and half from the water powers on the Welland canal?

Mr. HEAPS: Is that $1,000,000 the total revenue from all the canal systems in the country?

Mr. McGIBBON: Yes.

Mr. VENIOT: I should like to ask a question. As the hon. member has studied the facts concerning other canals such as the Panama and Suez could he tell the house as to how the tonnage is charged? Is it gross, net, or how is it charged?

Mr. McGIBBON: There is a charge of seventy-five cents a ton for ballast and $1.20

a ton for loaded. Those figures are for the Panama and Suez canal. The Manchester ship canal is very cheap, the rate being only twenty-six cents per ton.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, I think it is generally conceded that agricultural interests in Canada, during these years of depression have been the hardest hit. The resolution of the hon. member for Muskoka-Ontario (Mr. McGibbon) is apparently designed to exact some further toll from agricultural interests. Looking at the report of the royal commission on railways and transportation in Canada we find that in 1931 about half of the freight which passed through our Canadian canals consisted of agricultural products and about two-thirds of those products consisted of wheat. This government found it necessary only a few years ago to grant a bonus on wheat. Also at the Imperial economic conference they thought it desirable to obtain a preference of six cents a bushel for wheat in the British market. If tolls are imposed on tonnage passing through Canadian canals wheat must bear a considerable part of the taxation. Canada is a rather difficult country to govern.

Mr. BENNETT: Hear, hear.

Mr. BOTHWELL: Our greatest exports are produced so far from the sea that competition in the world market is rendered more difficult. In looking up the rates between the Argentine and Great Britain and between Australia and Great Britain and comparing them with Canadian rates, I was interested to find that the Argentine has what might be termed a preference in the matter of transportation rates of from eight cents to ten cents per bushel in the world's markets, with which our wheat has to compete. Australia is in very much the same position. She has a greater ocean mileage, but her wheat fields are located comparatively close to the ocean and to the ports from which her commodities are exported. The same applies to the Argentine.

When we consider those facts and consider the necessity of the Canadian farmer getting his product to the sea as cheaply as possible it seems to me that at this time we should not impose tolls. The hon. member for Muskoka-Ontario has stated that in 1905 when tolls were abolished there may have been some justification for such action, but he states the argument used in those days would not apply to-day. I submit the very opposite is the fact, so far as Canadian canals are concerned. In 1905 the bulk of freight passing through Canadian canals was of American origin. At the present time the bulk is largely Canadian, and the hon. member would now be penalizing Canadians. On at least a part of our canal system we are not allowed to impose tolls.

Section 26 of the treaty of Washington of 1871 is as follows:

> The navigation of the river St. Lawrence ascending and descending from the 45th parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or of the Dominion of Canada, not inconsistent with such privileges of free navigation.

Then, in section 27 I find:

> The government of Her Britannic Majesty engages to urge upon the government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence and other canals in the dominion on terms of equality with the inhabitants of the dominion; and the government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair flats canal on terms of equality with the inhabitants of the United States, and further engages to urge upon the state governments to secure to the subjects of Her Britannic Majesty the use of the several state canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the high contracting parties on terms of equality with the inhabitants of the United States.

Mr. BENNETT: Has the hon. member observed the modifications of that treaty in the Boundary Waters treaty of 1909.

Mr. BOTHWELL: Yes. However it does not alter the intention of the parties, if I read the subsequent modifications correctly.

Mr. BENNETT: But there is a great change.

Mr. BOTHWELL: Yes.

Mr. McGIBBON: May I ask the hon. member a question. After the time about which he is speaking did we not impose and collect tolls?

Mr. BOTHWELL: Quite true; we did. But in 1905 we found it necessary or advisable to abolish tolls, and since that time there has been no idea in the minds either of the people of the United States or of Canada to exercise any discrimination as between the two countries in the use of the canal system.

In speaking of production in Canada and the movement through our canal system I believe I should place on record a few

sections of the report of the royal commission on railways and transportation in Canada. From section 177 of that report I read:

The arterial pulse of the movement of commerce through the great lakes navigation system is to be found in the Canadian and United States locks at Sault Ste. Marie. It is not generally appreciated that the traffic through the St. Mary's river connecting lakes Superior and Huron is, in a normal season, in excess of the combined annual traffic through the Panama, the Suez, the Kiel and the Manchester ship canals. In 1929 the total traffic passed at Sault Ste. Marie (Canadian and United States locks) was 92,616,808 tons; for the Panama it was 30,663,006; for the Suez, 33,466,014; for the Kiel, 21,613,088; and for the Manchester, 6,558,598, a total, for the four salt-water canals of 92,300,000, or a slightly less tonnage than that of the fresh-water system as registered at the principal tally point for our international inland waters.

In order to have on record the class of freight moved through our canal system I shall read section 180 of the report of the commission, which is as follows:

In 1931, by no means a representative year, the total traffic through the purely Canadian canals along this route amounted to 16,189,074 tons. This figure would necessarily include duplications of cargoes carried through two or more canals. To this movement 27,651 vessels contributed.

The classes of commodities carried included:

	Tons
Agricultural products	7,757,307
Animal products	15,830
Manufactures	2,976,780
Products of forests	748,419
Products of mines	4,690,738
Total	16,189,074

In the following section the commission say:

Two-thirds of the movement of agricultural products, as listed above, consisted of grain, principally wheat.

Further on in the report the commission say, in section 183:

Railway transportation in so far as the movement of grain and bulk commodities is concerned has been largely adjusted to the problem presented by competition from the great inland waterway. The railways carry to and from the head of the lakes and to and from the lower lake ports. The movement of grain in particular is dependent on low inland water transport and the fortunes of the railways themselves in western Canada are dependent upon the ability of the grain grower to place his product at low cost at ocean ports.

Further on, in section 185, of the report I find this:

While on first consideration it might appear that the construction of canals which are free of all tolls to water carriers is in effect a form of state subsidy to a rival transport agency, yet in so far at least as bulk traffic in grain and heavy commodities is concerned, complaint is not made by the railways on this score. The imposition of tolls would not help and would probably hinder the railways as tending to discourage production.

And section 187:

Water-borne traffic will continue to be a factor of major importance in Canadian transportation both on the inland waterways and coastwise, through the Panama canal, but rail traffic has in the main been adjusted to the conditions now existing, and it does not seem probable that the developments now under way and in contemplation in connection with the Hudson's bay route, and the deepening of the St. Lawrence-Great Lakes canals, will seriously prejudice the position of the railways in the future. The competition of water-borne traffic has not been an important factor in bringing about the present difficulties of the railways.

That is the report of the commission that we appointed to endeavour to solve our transportation difficulties in Canada, and there is no suggestion from that commission that tolls should be levied. As a matter of fact they intimate that the imposition of tolls would work a further hardship or be further detrimental to the railway situation.

I want to say a further word in connection with wheat and what the imposition of these tolls would mean. I wish to refer to the competition which we have from the Argentine and Australia, but particularly the Argentine. We have a preference under the empire agreements in the British markets, and we were hopeful that this would result in an increased export of our wheat to Great Britain; that we would to a large extent, at least, shut out the Argentine until Britain had received whatever we were able to ship to her. But in the report of the Department of Trade and Commerce dated January 30 of this year I find that our exports of wheat to Great Britain have fallen in 1933 as compared with 1932, while the exports of the Argentine republic to Great Britain have increased. I quote from page seven of that report:

The following table shows imports of wheat into the United Kingdom during August, September, October, November and December, 1933 and 1932.

The figures are rather startling. They are as follows:

From:	1933 Aug.-Dec. (Bushels)	1932 Aug.-Dec.
Canada	31,716,174	49,324,078

This shows a decrease of 17,607,904 bushels.

Mr. BENNETT: I suppose that the hon. gentleman knows that in the meantime England bonused the production of wheat, and the production was eight million quarters or over 60,000,000 bushels.

Mr. BOTHWELL: Canada nevertheless is supposed to have a preference—

Mr. BENNETT: Not supposed to; she has.

Mr. BOTHWELL: —a preference of six cents a bushel on our wheat entering Great Britain, but Canada has not been able to meet the competition of the Argentine. I am therefore arguing against the imposition of tolls that will make our position worse instead of better. In 1932 the Argentine exported to Great Britain from August to December inclusive 4,207,452 bushels, and for the same months in 1933 17,073,198 bushels, or an increase of 12,865,746. Australia increased her exports of wheat to Great Britain for the same months from 13,643,593 in 1932, to 18,192,892 in 1933, an increase of 4,549,299 bushels. Australia is in the same position as Canada with respect to the trade agreement with Great Britain, but Australia has increased her exports. While Canada has reduced her exports for the same months in 1933 as compared with 1932 by 17,607,904 bushels, Australia increased hers by 4,549,299 bushels.

Mr. BENNETT: The hon. gentleman knows that it is a question of the quality of the wheat.

Mr. BOTHWELL: Russia also increased her exports for the same months from 3,960,235 in 1932 to 10,763,357 bushels in 1933. Other nations also increased their exports to Great Britain for the same months from 9,069,789 in 1932 to 10,501,570 bushels in 1933.

Having regard to the condition that agriculture in Canada finds itself in during this depression, and to the fact that the government has found it necessary to find a preference for Canadian products in the British market, and also found it necessary to bonus wheat a few years ago; having regard also to the difficulties that were recognized at the world wheat congress at Regina in regard to Canada getting her wheat on the world market as is outlined in the report of the Grain Exhibition and Congress last year, starting at page 291, I submit that to-day of all times in the history of Canada is the least opportune for the imposition of tolls and a further levy upon the agriculturists of Canada who are no now able to live and pay their taxes under the conditions that exist.

Mr. J. F. WHITE (London): Mr. Speaker, I listened with a good deal of interest to the presentation of his case by the hon. member for Muskoka-Ontario (Mr. McGibbon). While he gave us a great deal of information I find that I cannot come to the conclusion that I should support his motion.

[Mr. Bennett.]

The tolls on Canadian canals were abolished I understand in 1904 or 1905, and as far as I can gather, it was done for the purpose of increasing traffic through our canals, and also because of the preponderance of American tonnage that was passing through them. That condition has been corrected in time, as was stated by the hon. member for Muskoka-Ontario. The Canadian tonnage is now much ahead of the American, and the tonnage passing through the canals has increased very materially.

As far as I can gather there is nothing in the treaties that have been made with the United States to prevent tolls being levied. The hon. member for Swift Current (Mr. Bothwell) has quoted the treaty of 1871. I should like to quote article 1 of the waterways treaty of 1909, approved by this house in 1911. It reads:

> The high contracting parties agree that the navigation of all navigable boundary waters shall for ever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation, and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.
>
> It is further agreed that so long as this treaty shall remain in force this same right of navigation shall extend to the waters of lake Michigan, and to all canals connecting boundary waters and now existing or which may hereafter be constructed on either side of the line. Either of the high contracting parties may adopt rules and regulations governing the use of such canals within its own territory, and may charge tolls for the use thereof; but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties and the ships, vessels, and boats of both of the high contracting parties, and they shall be placed on terms of equality in the use thereof.

That treaty was to exist for five years, after which it was to be subject to termination upon twelve months' notice. In the St. Lawrence deep waterway treaty which was negotiated in 1932, subject to approval by the United States governing bodies and by this parliament, there is a clause which deals with the matter to which I have just referred. Article 7 reads:

> The high contracting parties agree that the rights of navigation accorded under the provisions of existing treaties between His Majesty and the United States of America shall be maintained, notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the subjects or citizens and upon the ships, vessels and boats of each high con-

tracting party, rights of navigation in the St. Lawrence river, and the great lakes system, including the canals now existing or which may hereafter be constructed.

That article has the effect of making the arrangement perpetual in character. In view of the fact that this treaty is now being discussed in the United States, I think that this resolution is rather ill-timed. I do not think we should do anything either to promote or hinder the passage of this measure in the United States. If it should pass there, well and good, it will then come to us.

Equality of treatment for the people and shipping of the United States and the people of Canada is insisted upon in the treaties of 1871, 1909 and the one now under discussion. Should Canada levy tolls without coming to an arrangement with the United States, I think it would have the effect of driving tonnage away from the Canadian canals. If that should occur the estimated revenue from these tolls will be much smaller. It will have the additional effect of increasing the cost of transportation. Hitherto our efforts have been in the direction of cheapening transportation as much as possible, especially through the canals of the St. Lawrence and the great lakes where so much wheat is transported. It is my opinion that this added cost of transportation ultimately will find its way back to the producers of wheat. If tolls are levied it will have the effect of driving business to other channels. There would be the competition of the Hudson Bay railway, the Vancouver outlet to Europe through the Panama canal and the Buffalo and Albany which is used to some extent. There would be also the Mississippi route to the gulf. These would all affect the amount of tonnage which would pass through our canals.

The speaker referred to the railroads but he did not tell the house the amount of land grants which have been made nor the subsidies paid for construction. I cannot see that the railroads have much complaint with regard to their treatment. It seems to me that in view of the fact that transportation charges will be increased on a vital product of central Canada, the best thing we can do is to leave our canals free of tolls.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, I have no intention of taking up much time in discussing this interesting and important motion but I desire merely to place on record my concurrence in the views of the hon. members who have just spoken, that it would not be a proper step to take to impose an additional tax upon the water borne traffic of our internal canals. As far as western wheat is concerned the effect would be to force more wheat through Vancouver and the Panama canal. This wheat would pay tolls to the Panama canal rather than to the Canadian canals, and much of our wheat now moves in that direction.

Wheat is not the only product involved. There are large cargoes moving through our canals both east and west of lumber, ore, steel and manufactured products. Central Canada is unfortunately situated as far as access to ocean ports is concerned. It is situated far inland and produces a particular commodity in large quantities. In order that this commodity may meet the competition on the markets of the world it is necessary that transportation rates to those markets shall be as low as possible. This applies not only to the outgoing traffic consisting of wheat, cattle, meat, butter and eggs but also to the incoming traffic from eastern Canada. It is desirable that central Canada should have cheap transportation to the markets of the world as well as cheap freight rates on those things which are required to maintain production.

If a tax upon canal tolls were to favour the railroads it would have to be very high indeed. The rail rate on wheat from Fort William to Montreal is something over thirty cents per hundredweight while in normal years the water rate is something like seven or eight cents per hundredweight. In order to be of any benefit to the railroads, a tremendous tax would have to be imposed. This would be necessary before there could be anything like competition with the canals in the carriage of this particular product. Perhaps not so great a tax would be necessary in the case of other commodities, but the life of the country depends upon its ability to sell sufficient goods in order to meet its obligations in other lands and its ability to export depends upon transportation as much as upon anything else.

A tax of even one cent per bushel upon western wheat would reduce to that extent the purchasing power of the people of the prairies. To the extent that their purchasing power was reduced, the industries of eastern Canada would suffer. There would be a slowing up of the whole internal trade between the east and the west.

I do not think the hon. member for Muskoka-Ontario (Mr. McGibbon) was really in earnest when he suggested that with the $10,000,000 to be derived by this tax on canals we could afford to abolish the sugar tax. Perhaps this tax is not the most popular one in the world and I do not know of any other tax that I would be as willing to abolish. But there is this about it. The necessities of the

case, relief and matters of that kind, made essential the gathering of revenue from new sources, and I am rather of the opinion that the amount gathered from the people in the sugar tax was more than paid back to them by extraordinary government assistance. But to place a toll on canal traffic as a substitute for the sugar tax would, to my mind, transfer the tax which is now spread over the whole of Canada to a very large extent to the two million people who reside between the Rocky mountains and the head of the great lakes, and for that reason if for no other I would oppose it.

I do not think that the imposition of such a tax as is proposed would be of any assistance to the railways. It would work a great injury to the primary products of the country, not only wheat, but lumber, ore and mineral products, in the search for markets east and west, and would also be injurious to the manufacturing industries of Canada which have to find markets, to a certain extent at least, in western Canada, over long distances of transportation. So that the whole effect of the ten millions which would be gained by that tax would be lost through the reduction in business which it would cause, and by reducing business it would thereby reduce the tax basis of our whole system. For that reason, as well as for the reasons advanced by other hon. members, I shall have to oppose it.

Mr. JAMES ARTHURS (Parry Sound): I am not entirely in accord with the resolution, but at the same time there are a great many people in Canada who feel that they have been taxed to an inordinate degree for the support and maintenance of our canal system. I believe that the proper solution would be perhaps to place a very small tax, say a cent a ton, upon the vessels passing through these canals, or a graduated tax as the case may be, which could be worked out satisfactorily, and which would pay for the maintenance and operation of the canal system. The canal system in Canada has been largely paid for in the past. It has been written off the books of Canada, and is regarded as an asset, but we continue to pay large sums every year for the upkeep of the canals. I do not know the exact amount, but a reference to the public accounts will show how much we pay annually. It is the custom at the present time for the United States to charge a toll for vessels passing through the Panama canal, either loaded or empty.

I agree with the last speaker (Mr. Turnbull) that no tax should be placed upon the commodities raised in the west for export purposes. But I also believe that any canal, such as the Trent canal, which has cost the country millions of dollars and which at the present time entails a very large upkeep cost, being almost entirely, if not entirely used by tourists, should make a charge on these vessels to recompense Canada for the expense involved in the maintenance of the canal. This would apply to all canals.

A tax such as I suggest, one cent a ton on vessels passing through, let us say the Welland canal, which runs through the home of my hon. friend to my left, would not embarrass the vessels. It would not increase the cost of transportation, but in a marked degree would relieve Canada of the expense of upkeep and the incidental expenses of operating these canals. I do not know that I have anything further to add. I simply wish to convey my impression to other members of the house, but I believe that something of this kind should be done. I might also add that we are not breaking any treaty with the United States. We have a treaty with that country signed in 1871, which guaranteed equal rights to American vessels passing through our canals, and providing that any tolls placed on the vessels of either country should be paid by both—that is to say, no discrimination should be made as between vessels of the United States and ours. But when we find tramp vessels coming from Norway or from other foreign countries and passing through our canals, it is perfectly right that they should pay the same tolls as they would pay in their own countries in similar circumstances.

Mr. J. L. BROWN (Lisgar): The proposition made by the hon. member for Muskoka-Ontario (Mr. McGibbon) and the arguments he has used in support of his motion might seem at first glance to be entirely fair and reasonable, but one has to take into account not only the situation as it appears from a theoretical point of view but the actual facts that confront us to-day. The statement which has been made by the hon. member for Swift Current (Mr. Bothwell) sets forth clearly the situation as it appears to us from the point of view of the western provinces. Certainly the time is most inopportune to place any extra burden on the producers of wheat. Any increase in the freight rate even by the fraction of a cent must of necessity be reflected back to the producer of wheat.

Perhaps the hon. member for Muskoka-Ontario has over-estimated the effect upon the revenue. Let us take this fact into consideration. At the present time large quantities of wheat go via British Columbia ports and the Panama canal. There is a line drawn some-

where north and south through the western prairies which would determine the route taken by the wheat. It will take the cheapest route, whatever that may be. Might I suggest that the possible effect of making the eastern route more expensive would be simply to draw that line further east and send a larger quantity of wheat via Vancouver and Prince Rupert—that I would not object to—but also via the Panama canal, to the increase of the revenues of the Panama canal and the decrease in the revenues of the transportation systems here that carry our wheat east. That is a point of view that was not considered by the hon. member for Muskoka-Ontario.

When a tax, even a small tax, is imposed, it often has effects that are entirely unintended and unforeseen. That is one of the things we frequently meet in our tariff taxation, and the same is true of any tax—the effect is very often different from what was intended.

I do not know that it is necessary for me at further length to register my objections to this resolution. The hon. member for Swift Current seems to me to have placed the matter before us quite adequately. Certainly the time is very inopportune to impose any extra burden upon the wheat producers of the prairie provinces.

Mr. GEARY: It occurred to me that, after all, the deepening of the St. Lawrence river east of Montreal is in the same category as the canals. Does the hon. gentleman intend to impose a tax for the use of that?

Hon. R. J. MANION (Minister of Railways and Canals): I have listened with a good deal of interest to the whole discussion here this afternoon, but I have noticed that from all sides of the house and from all sections of the country opposition has come to the proposal of the hon. member for Muskoka-Ontario (Mr. McGibbon), whom I should like to congratulate on the careful and reasonable manner in which he dealt with this question. At the same time I am, to a large extent at any rate, in a similar position to those from various sections who have spoken before me in opposition to the imposition of tolls, without at least a great deal more consideration than I have been able to give to the question or without more cogent reasons being put forward than have so far been advanced by various writers and speakers. There is no doubt that the whole proposition appears attractive to some who give it more or less superficial thought, but as a matter of fact, when the question is studied there enters into it matters of international differences, injury to the grain trade of the west and complications of various kinds that make it not so attractive as it at first appears.

May I review briefly—and in this regard I shall follow the example of the other hon. members who have spoken—the whole question as it appears to me? I had intended to quote a few of the treaties that have been referred to, but as they have already been quoted from, I shall quote merely one of them, namely, the treaty of 1909, and I do this, not because it has not already been quoted—the hon. member for London (Mr. White) quoted it a few minutes ago—but simply in order to utilize it in my remarks as part of my argument. I am quoting from article one of the treaty of 1909 between Great Britain and the United States:

> It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line. Either of the high contracting parties may adopt rules and regulations governing the use of such canals within its own territory, and may charge tolls for the use thereof, but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties and the ships, vessels, and boats of both of the high contracting parties, and they shall be placed on terms of equality in the use thereof.

That, without doubt, confirms the other treaties such as the Webster-Ashburton treaty and the treaty of Washington of 1871, in making the imposition of tolls, if they should be imposed, uniform as to the United States and Canada. The hon. member for Muskoka, in his remarks, agreed with that. The question, however, is deeper than that, because if you undertook to impose tolls on merely some of what are called foreign vessels, that is vessels outside the British Empire and, if you like, outside the United States, you would obtain so little in return that it would be of no importance to the revenues. It is apparent that if you do anything, you must do it without discrimination of any kind; you must do it towards all the different countries that make use of the canals. I believe that principle is generally accepted, unless you wish to stir up a spirit of antagonism or economic reprisals of one kind or another, and it seems to me there is enough economic nationalism throughout the world to-day without trying to increase it.

May I give very briefly the history of canal tolls? They were established in 1873 on Canadian canals, although the United states canal at Sault Ste. Marie remained

free as did, so far as tolls were concerned, the Erie canal at that time. Therefore, as a result of the establishment of tolls on Canadian canals, Canadian grain was at that time diverted to United States ports and in 1892 the government of the day passed an order in council reducing the tolls on grain from the then rate of twenty cents to two cents per ton provided the grain went out via Canadian ports. The United States retaliated by imposing a toll of twenty cents a ton on our Canadian grain passing through the United States canal at the Soo. At that time there was no Canadian canal at Sault Ste. Marie. In consequence, in 1893, Canada did away with the preferential toll and imposed a reduced uniform toll of ten cents a ton on traffic through the Welland and St. Lawrence canals, regardless of destination. This toll was in force for the next ten years when as a result of petitions from all over Canada to the government of the day serious consideration was given the question of abolishing tolls altogether. I have under my hand a list of the organizations and public bodies which sent in petitions and for the sake of the record it might be well to name some of the different organizations that sent them. I have before me a copy of one dated March 30, 1903, from Kingston, but among those sending in petitions at that time to do away with the tolls were such bodies as these:

Montreal Corn Exchange Association.
Harbour Commissioners of Montreal.
Montreal Board of Trade.
Kingston Board of Trade.
Council of the Corporation of the City of Kingston.
Canadian Merchant Marine Association.
Toronto Board of Trade.
Calgary Board of Trade.
Kaslo Board of Trade.
Sorel Board of Trade.
Owen Sound Board of Trade.
National Association of Marine Engineers of Canada.
Board of Trade of City of Ottawa.
Winnipeg Board of Trade.
Winnipeg Grain and Produce Association.

That is a list of some of the bodies which sent in petitions against the continuance of tolls. As a result, on April 27, 1903, the tolls were suspended temporarily by order in council and two years later, in 1905, the tolls were definitely abandoned. In 1902, the last year in which tolls existed, the Welland ship canal carried 646,000 tons of traffic, whereas in the next year when the tolls were abandoned, the the traffic increased to 979,000 tons, or an increase of about 50 per cent. I may add, without giving the figures, that the traffic on the St. Lawrence canals at that time also increased by 50 per cent. It is understood of course that traffic passing through both the Welland and St. Lawrence canals paid tolls on only one canal and that would be the case if tolls were again instituted. A boat that went through the Welland canal could not be charged tolls again on going through the St. Lawrence and vice versa. To demonstrate the increase in traffic in past years I may say that in 1933 on the Welland canal the traffic carried amounted to 9,194,000 tons.

As to the earnings from those tolls, at the time they were charged, the rate on grain was ten cents a ton whether it went through the Welland or the St. Lawrence canals. Between 1893 and 1902 when tolls were being charged, the annual revenue amounted in round figures to $230,000. I had some officials in my department take the tolls as they were in force between 1893 and 1902 and apply them to the traffic of 1932. The figures are taken not for last year but for the year before because we had more complete returns. Instead of $230,000, the return for 1932, had we charged on the same basis as in the period from 1893 to 1902, when tolls were in force, would have been $1,480,000. Against that is the cost of operation and repairs of the canals on the through route which, in the same year, 1932, amounted to $1,634,000. Therefore I must confess that the hon. member for Muskoka was in error so far as I can find out—and I think my figures are correct—in regard to his statement that the annual charges on the Welland canal were $14,000,000. I sent out to get them in order to check myself up and I find that the charges on the Welland canal in 1932 were $738,000 or, with a few extras, nearly $739,000, about half being operation and the other half repairs. Of course, if you added the interest on the investment you would still have only about one half the figure which I think was given by my hon. friend, because the interest on the investment in the Welland canal of, as he said, $130,000,000, would probably amount to something like $7,000,000, and the cost of operation and upkeep $738,000.

In regard to the capital investment, it is true we use immense figures in speaking of the cost of the different canals in this country. If you go back perhaps one hundred years to the building of the first canal in Canada and add all the expenditures together since then, without interest, it does come to a figure of $245,000,000. But as a matter of fact that is hardly a fair computation, because certain of the canals have been superseded or replaced.

Suppose tolls were put on the Canadian canals, the result to my mind would be merely

to drive the traffic to other routes. It would injure the eastern Canadian ports to the advantage of other parts; it would drive the traffic from Montreal, Quebec and Sorel to Churchill, if you will, or to Vancouver and the Panama canal, or by the Erie canal to New York. And as over 70 per cent of the traffic through the port of Montreal is grain it would certainly injure the port of Montreal. The average rate on grain from Port Colborne to Montreal between 1925 and 1931 was just under 6 cents, or 5·66 cents a bushel. From Buffalo to New York it was 4·84 cents a bushel. So you would merely add to that differential and drive some of the grain traffic probably through the Erie canal, some to the Panama canal, and, as my hon. friend who just sat down said, move further east the line beyond which the grain goes west. The result would be to divert the grain; otherwise as far as I can see it would not have any particular effect. The hon. member for Muskoka-Ontario said that at the present time one-third of the traffic of Canada goes by way of the Panama canal, I presume he means the grain traffic. So that you would merely increase the proportion of grain traffic going by the Panama canal if tolls were put on our canals; you would prevent the grain coming east and would drive it west. The statement that we could raise $10,000,000 per annum by tolls on the canals I think is extreme, in that to produce any such sum you would have to have a rate of something over $1 a ton.

Mr. McGIBBON: If I may correct that, it has been misquoted two or three times. I said that on last year's tonnage at Panama canal rates it would amount to that.

Mr. MANION: I do not dispute that. But I point out that it would require a rate of over $1 a ton. I believe the Panama canal rates are about $1.20. One dollar a ton would mean an extra charge of 3 or 4 cents a bushel on wheat. Notwithstanding anything I have heard or read I believe that impost would be against the farmers of western Canada, and I entirely agree with those from the west who say that the western Canadian grain grower cannot stand that toll added to his present cost, because the price of grain is fixed in the Liverpool market, and the cost of delivering it there is a factor affecting the Canadian farmer.

Concerning the railways, a great deal has been written in the press and stated by some speakers about the advantage that would result to the railways from charging tolls on the canals. Someone I think quoted what the Duff commission said on that point. I am going to quote one clause at any rate. The Duff commission made this statement about the canals competing with the railways:

> While on first consideration it might appear that the construction of canals which are free of all tolls to water carriers is in effect a form of state subsidy to a rival transport agency, yet in so far at least as bulk traffic in grain and heavy commodities is concerned, complaint is not made by the railways on this score. The imposition of tolls would not help and would probably hinder the railways as tending to discourage production.

And further on:

> Water-borne traffic will continue to be a factor of major importance in Canadian transportation both on the inland waterways and coastwise through the Panama canal, but rail traffic in the main has been adjusted to the conditions now existing and it does not seem probable that the developments now under way and in contemplation in connection with the Hudson's Bay route, and the deepening of the St. Lawrence-great lakes canals, will seriously prejudice the position of the railways in the future. The competition of water-borne traffic has not been an important factor in bringing about the present difficulties of the railways.

I could if I took the time quote from some railwaymen, notably the late Sir Henry Thornton, and I think Mr. Beatty also, statements showing that they were not very strongly, at any rate, of the opinion that the canals were interfering with the railways.

Mr. GRAY: If the minister will permit a question, he mentioned the deepening of the St. Lawrence waterway. Does he seriously contend that that would not affect the railways?

Mr. MANION: If I said that I did not mean to. I was speaking of the canals.

Speaking further of the railways, I wish to submit that it is not fair to say the canals have been built at public expense and the railways at private expense, as some writers have, because the railways of Canada have been very heavily subsidized. The Canadian National Railways last year required from this house $61,000,000, and it costs to operate the canals as a whole about $1,500,000 a year. We have given to the Canadian National at various times loans amounting to nearly $700,000,000, that is three times the cost of the canals, and in addition there is the interest on that money, none of which has ever been paid, and which has amounted to nearly $400,000,000. Besides that you have the cost of building the Intercolonial, the Prince Edward Island railway and the National transcontinental, amounting to another $400,000,000, upon which again nothing has ever been paid in the way of interest. And still further, you have the Maritime Freight Rates Act, by

which a 20 per cent reduction in freight that is granted and reimbursed to both the Canadian National and the private railway system. There is also the deficit in operation of the eastern lines, and the $7,000,000 expended on the Prince Edward Island car ferry service. I point these things out merely to emphasize the fact that any tolls that could be collected on the canals would be a very small contribution towards meeting the railway deficits. The railways have cost the Dominion of Canada many times more than the canals.

May I refer to one suggestion made by the hon. member for Parry Sound (Mr. Arthurs), which would be worthy of consideration if it would give a real return; he said that perhaps we could impose a charge of one cent a ton. But taking the 1933 traffic through the Welland canal I found that it would yield at one cent a ton about $90,000. So it would not produce enough really to be worth putting on the grain or other traffic that goes through the canals.

Mr. ARTHURS: Say two cents or three cents then.

Mr. MANION: Two or three cents would still produce a relatively small amount, not of very much use to Canada in the present economic conditions. Without doubt the commodity that would be chiefly affected by these tolls would be grain, because grain and coal constitute two-thirds of the traffic of the canals; without doubt it would raise costs to the farmer and at the same time give a black eye to the city of Montreal and our other eastern ports by diverting traffic through the other ports that I have already mentioned. Incidentally, may I mention that the grain rate from Fort William to Montreal last year by water averaged about 3·71 cents per bushel while the all-rail rate was 34½ cents per hundredweight. My hon. friend from Regina (Mr. Turnbull) brought out something to this effect. If all that grain that moved by water to Montreal last season had been carried by rail to Montreal from the head of the lakes at rail rates—which of course would be entirely out of the question—but if it could have been done it would have meant an extra expenditure of about $10,000,000. In regard to the Panama, Suez and Manchester canals it is true, as the hon. member for Muskoka-Ontario has said, that they collect tolls. We must realize however that the conditions under which those canals are operated are altogether different from those exisitng in connection with Canadian canals. The Manchester canal is a private commercial enterprise, whereas in Canada our canals are national. Then, the Suez canal is operated by a privately owned company. True the Panama canal is publicly owned and operated, but we must remember this important point; the difference between the Suez, the Panama and our Canadian canals is that no vessel owner is forced to use either the Suez or the Panama because, if the shipper wishes, he may ignore either of them and take a longer route, thereby arriving at the same point on the globe. However, to do that would require a longer time, and because of that fact, and because through using the Panama or Suez canals he may secure a greater number of cargoes for his ship, he finds that it pays him to take the shorter route offered through using the Panama or Suez canals. Time saving is the important factor, because were it not for these canals it would be necessary to navigate around the southern end of South America or of the African continent. On the other hand, in Canada we have no alternative water route from the western grain fields, unless one wished to use the railways from the head of the lakes. As has already been pointed out, however, the rail rate would be so much higher that it would not be feasible in the marketing of grain. A number of speakers have said that, because of our distance from the seaboard it is important that we should have the lowest possible rates in order that we may compete with countries whose grain fields are closer to the seaboard than are the fields of Canada.

In view of these facts, and in view of statements which have been made by hon. members on both sides of the house I submit to my hon. friend, with the best of intention, that having brought this matter before the House of Commons—and I believe in that he has done very good service, because it is a question which should be discussed in order that it may be threshed out properly—and in view of the very excellent discussion which has taken place, for the time being at any rate he would be doing well to withdraw the resolution and allow further consideration to be given the matter by all classes in the community as well as by hon. members of this house and the government.

Mr. GRAY: I did not like to interrupt the minister when he was giving figures showing the total tonnage through the Welland canal, but now that he has completed his remarks I should like to know if he can tell us what percentage of that total tonnage is carried by Canadian vessels?

Mr. MANION: I should not like to guess at those figures, because—

Mr. McGIBBON: Roughly speaking it is two-thirds.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before the hon. member concludes the debate I should like to make only a few observations. I make them because of the statements made by the hon. member for Swift Current (Mr. Bothwell) and in order to remove any misapprehension there may be as to the exact position at the present time with respect to the use of canals and boundary waters. The Boundary Waters treaty of 1909 has a preliminary article reading as follows:

For the purpose of this treaty boundary waters are defined as the waters from main shore to main shore of the lakes and rivers and connecting waterways, or the portions thereof, along which the international boundary between the United States and the Dominion of Canada passes, including all bays, arms and inlets thereof, but not including tributary waters which in their natural channels would flow into such lakes, rivers, and waterways, or waters flowing from such lakes, rivers, and waterways, or the waters of rivers flowing across the boundary.

Article 1 of the 1909 treaty, which is somewhat different from the old treaty of 1871, is as follows:

The high contracting parties agree that the navigation of all navigable boundary waters shall for ever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country within its own territory, not inconsistent with such privilege of free navigation, and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.

That, it will be observed, refers to boundary waters, and in article XXVI the treaty of 1871, to which reference was made by the hon. member, refers to other than boundary waters in these words:

The navigation of the river St. Lawrence, ascending and descending from the 45th parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or of the Dominion of Canada, not inconsistent with such privilege of free navigation.

The navigation of the rivers Yukon, Porcupine and Stikine, ascending and descending from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the subjects of Her Britannic Majesty and to the citizens of the United States, subject to any laws and regulations of either country within its own territory, not inconsistent with such privilege of free navigation.

So that in article XXVI of the Treaty of Washington of 1871, which I have just read, we have a declaration with respect to navigation of the St. Lawrence, other than through boundary waters. And in the article I have read with respect to boundary waters you have the same declaration as that contained in the treaty of 1871 with respect to other than boundary waters of the St. Lawrence.

But article 1 of the treaty of 1909 specifically deals with the question of tolls. Perhaps I had better read the article so that there may be no misunderstanding.

Mr. BOTHWELL: Would the right hon. gentleman allow a question? Does the treaty of 1909 determine the question of imposition of tolls on the lower St. Lawrence?

Mr. BENNETT: I shall come to that. I was going to read to the house the whole of article 1 of the treaty of 1909. It is as follows:

The high contracting parties agree that the navigation of all navigable boundary waters shall for ever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation, and applying equally and without discrimination to the inhabitants, ships, vessels and boats of both countries.

It is further agreed that so long as this treaty shall remain in force, this same right of navigation shall extend to the waters of lake Michigan and to all canals connecting boundary waters, and now existing or which may hereafter be constructed on either side of the line. Either of the high contracting parties may adopt rules and regulations governing the use of such canals within its own territory, and may charge tolls for the use thereof, but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the high contracting parties and the ships, vessels, and boats of both of the high contracting parties, and they shall be placed on terms of equality in the use thereof.

That is to be found in the treaty of 1909. The net effect of it is to expand the treaty of 1871 so that the provisions of the treaty with respect to other than boundary waters applies to boundary waters, and further to provide that canals on either side and boundary waters constructed by either party may be subject to such rules and regulations and tolls as the national owning the canal may think desirable, but that, in any event, such tolls shall not discriminate against the ships of either country. So that if any of the canals we have constructed in boundary territories connecting boundary waters are to be subject to tolls, the tolls must apply equally to our own ships and the ships of the United States.

Then, there is one other question—and I desire only to place myself on record so that there may be no misapprehension in the matter—

Mr. BOTHWELL: Would the right hon. gentleman allow a question? Is not the net effect of the treaty of 1909 to leave the lower St. Lawrence, from the 45th parallel, always free of tolls, and to restrict the imposition of tolls on boundary waters so that there shall be no discrimination?

Mr. BENNETT: I should not care to express an opinion at this particular moment with respect to a matter of that kind, when a treaty between these two countries is under consideration, for fear the construction I should place upon it would be misconstrued. I therefore limit my observations—and the hon. member can understand why—to mere statements of extracts from the treaties themselves.

Just one word more and I shall have concluded all I wish to say. There are, of course, certain most favoured nation treaties outstanding, and they are old treaties in the main. Undoubtedly under the provisions of these treaties some countries are entitled to the same privileges as the United States. I do not desire to do more than make that simple statement at the moment because this question of most favoured nation treatment is one surrounded by so many difficulties that I content myself merely by stating what the conditions are. There is no reason why the Canadian people might not desire to impose tolls upon their canals. There is no reason why they could not if they thought it desirable to do so, but, in my judgment, under the present conditions it would not only be practically impossible to raise any revenue by so doing, but it would create a situation which we in this country are not desirous at this moment of creating.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I just wish to say a few words in reply. First I wish to correct a few interpretations that have been placed on my remarks. I stated that if the tonnage that went through the Welland canal last year had been charged at the Panama canal rates it would have brought in a revenue of between nine and ten million dollars. That is simply a matter of arithmetic. Nearly nine million tons went through the Welland canal, and the Panama rate is $1.20 a ton, and so I submit that my statement was accurate.

I also stated that we had $245,000,000 invested in canals. When you take into account the interest on that sum, and any reasonable amortization rate, together with the annual cost of upkeep of our canals, I submit that I am still within the mark when I say that this country is losing $14,000,000 a year. I turn up the report of the Department of Railways and Canals and I find that last year there was spent on the canals of this country $2,511,515.81. So I was not very far out when I said that they were costing us about three million dollars in upkeep.

What are the arguments against this resolution? First there was the argument that our railways are losing money. Well, they are losing money because we are helping them to lose money by taking trade away from them. As I stated in my previous remarks, we have bonused American ships to take business away from our railways at Point Edward and at Port McNicoll, and that business has gone from our railways—that is all. We have also bonused them to take business away from our railways in the hauling of coal to the city of Toronto and to central Ontario. It is no wonder that the railways are losing money.

I also stated that the railways are losing money on account of the action of the provinces. These things may be inevitable; I am not quarrelling about that.

The Minister of Railways (Mr. Manion) and others say that the effect of this motion would be to force our wheat to go by the Panama canal. But it would not go any cheaper that way. The tolls there are $1.20 a ton now. So I contend that it would not have that effect. As the hon. member for Lisgar (Mr. Brown) has said, there will be a line of demarcation, and that will settle the rate and the routing of the wheat.

There is only one argument against this resolution that I have heard. Everybody has admitted that we have the necessary power, but the one argument that has been made against the motion is that it would impose a heavier tax upon the products of the west. Why should everyone in this country have to continue forever to put his hand in his pocket and pay for the transportation of the products of the west of one kind and another? Why should Ontario have to do it, or the maritimes or Quebec? Is there any argument in that? But even if there were, I thought I had made it quite plain that the rate on wheat could be graduated, at first starting at a very low point, so as not to have the effect complained of, and there would still be revenue from the transportation of other commodities east and west. Excluding wheat, I wonder if hon. gentlemen know what percentage of the business of Canada is transported through our canal system. Not more than five per cent, I am told, and look what

it costs us! Look at the millions and millions of dollars that we have poured into it. President Roosevelt of the United States the other day made the statement that in future all the internal canals of that country would have to earn interest on the investment, upkeep and service charges. That is the policy of the United States for the future, as outlined by their president, and that policy is sound, especially in this day and generation. As I said in my previous remarks, the Coolidge commission also reported to the same effect.

Boiled down, there is no disputing the principle. I have not heard a member here this afternoon dispute the principle that any investment in this country for service should bring a reasonable return, whether it is one or two per cent or more—at all events it should bring some return on the money invested. But our investment in our canal system is bringing practically no return.

It would appear, however, that the house is against me—the Prime Minister (Mr. Bennett), the Minister of Railways (Mr. Manion), and I guess everyone else who spoke on the motion. Apparently I am a John the Baptist standing in a political wilderness trying to get this service put on a proper business basis so that it will be fair to the business interests of this country and to the railways. Why should we differentiate and discriminate between those who can ship their goods by water and those who are back in the country and have to ship their products by rail? The Minister of Railways says that they do not have to go through the Panama or the Suez canal. Nor does the wheat grower. He does not have to bring his wheat down the lakes. He can bring it by rail.

I am surprised that there have been no arguments on the principle. The rate is one thing, and if wheat requires a very low rate, that could be set by the government but I do not see why we should continue to let everything go through free, one-third of which is carried by foreign vessels, manned by foreigners, taking business away from our own ships and our own seamen, and bringing into this country goods that are competing with the products made in Canada. I am sorry that the Minister of Railways has taken that attitude. I know he is wrong, and some day, and before very long, tolls will be placed on boats passing through the canals of this country. I shall withdraw the motion, Mr. Speaker, in deference to the Prime Minister.

Motion withdrawn.

A CANADIAN FLAG

Mr. C. H. DICKIE (Nanaimo) moved:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted.

He said: I have been a little surprised, Mr. Speaker, to learn that considerable opposition to this resolution would be manifested in this house. Perhaps a greater proportion of the people of the constituency that sends me here were born in the British isles than are to be found in any other constituency in Canada. When it came out in the press that I intended to introduce a resolution of this kind, there was not one single criticism nor did I hear one single word against it from those in the constituency from which I come. It was a surprise to me when I suggested to some hon. members that they should assist me with this resolution to hear them say: Hands off the flag; we will have nothing to do with the resolution; the good old union jack is good enough for us—"the flag that braved a thousand years the battle and the breeze." There is no doubt that that flag is good enough for anyone and I wish to say right here that I yield to no organization, sect, society or individual in my regard for the British flag and all that it symbolizes. It is a wonderful flag, but we desire a flag to indicate that Canada has a right to a part in that flag. The British union jack is a composite flag composed of the crosses of St. Andrew, St. George, and St. Patrick, representing the three great divisions of the British isles. It is considered as the flag of the British Empire and we, as a composite part of that empire, consider it as our flag. But we desire some emblem to designate and indicate that it is our flag. That is all I am asking for. We want a flag that will indicate that Canada has a right to a part in that great British flag.

We are the only important dominion in the British Empire that has not a flag. South Africa has a flag; India has a flag and New Zealand and Australia each have beautiful flags. As is well known, the flag of New Zealand is a blue ensign upon which are four stars of the southern cross. A conspicuous part of that flag is the union jack, and it would be inconceivable to me that the proposed Canadian flag should not have the union jack in a predominant position. In the New Zealand flag the union jack is in the top corner next the flagstaff, the commanding or dominating position. This blue flag with its starry design is very beautiful. No one

has ever suggested that New Zealand has weakened the ties of empire by adopting a flag of that kind. The flag of Australia is somewhat similar. It is an ensign of a slightly different tint of blue. There is a cluster of five stars with another large star to the left. This distinguishes it from the New Zealand flag. This is a beautiful flag of which Australia is very proud.

It may seem premature and presumptuous on my part to suggest a design at this time for a Canadian flag as this doubtless will be left to a committee to decide should this resolution meet with the approval of the house. However, in order to disarm opposition to this resolution perhaps I may be allowed to suggest a design. This would be along the same lines as the New Zealand and Australian flags. I would put the union jack in the same dominant corner it occupies in these flags. I would have the ensign of delphinium, cerulean or azure blue and upon that I would put a glorious autumnal maple leaf, one of that deep, golden, red tint which you see so frequently in the fall of the year. The contour or outline of the maple leaf lends itself very readily to banner purposes. As the house knows, upon the maple leaf are nine distinct points. These could be considered to represent the nine provinces of Canada. The maple leaf design would be easily distinguished upon a blue field and we would have what I consider would be one of the most artistic flags in the world. This flag could be recognized at great distances.

All that we have in the way of a Canadian flag at the present time is the red ensign. This flag has upon it the coat of arms of Canada and is used by our merchant service. It is sometimes flown ashore but I do not know that we have the right to do that. But the coat of arms is indistinguishable at a distance of two or three hundred yards. It appears simply as a blotch upon an otherwise beautiful banner. The details of any coat of arms are too minute to lend themselves readily to banner purposes. The flag of South Africa also contains a coat of arms and I have no doubt that you could place the Canadian red ensign and the South African flag at one end of this chamber and find it impossible to tell them apart from the other end.

There can be no objection to the use of the maple leaf as an emblem of Canada. Let us put it upon a blue blackground, and with the union jack we will have a flag of which we can be proud. Let us have a flag of that kind to signalize our emergence from the dull, drab, gray and anxious years through which we have just passed. Let us have such a flag to signalize what we hope will be our steady progress towards the sunlit plateau of prosperity. Let us have such a flag flying upon this and all other public buildings in Canada. We say that the union jack is our flag, but let us look at the absurdity of such a statement. Suppose an English and Canadian embassy are located side by side, say in Tokyo. They would both be flying the same union jack. What would there be to distinguish one of those embassies as being Canadian?

As I say, I am all for the union jack but I am also for a cheerful, artistic and beautiful flag for Canada. I hope this resolution will pass.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have listened with a good deal of interest to the hon. member for Nanaimo (Mr. Dickie) who has moved a resolution supporting the adoption of a distinctive flag for Canada. The hon. member's resolution reads as follows:

That, in the opinion of this house, a national flag representing the Dominion of Canada should be adopted.

This resolution has been moved in this year of grace, 1934, but we had another resolution brought before this house a few years ago dealing with the same subject. Everything in the hon. member's resolution was in the resolution brought before this house on two other occasions—Monday, May 25, 1931, and Monday, February 6, 1933, by myself. On Empire day, 1931, I moved the following resolution:

That, in the opinion of this house, a special committee be appointed for the purpose of considering the advisability of adopting a Canadian flag, representing Canada as a whole, and in which the British flag shall occupy the position of honour, thus symbolizing the Dominion as an equality partner in the commonwealth of British nations.

That resolution was debated by myself and one or two other members in the House of Commons on Empire day, May 25th., 1931, and the same resolution was brought up again —I have the exact date before me, namely, Feb. 6th., 1933. On the latter occasion a short debate took place. Now we have a resolution introduced by the hon. member for Nanaimo (Mr. Dickie), practically the same in context. It does not differ one iota from those two resolutions, in so far as substance is concerned, though it is not nearly so complete as the resolution brought before this house on the two former occasions.

May I say that I was rather surprised that the hon. member for Nanaimo should bring up this resolution without intimating to myself that he was going to bring it before the house. On the two other occasions when I had the honour of introducing the resolution the member for Nanaimo was as dumb as the proverbial oyster; he never opened his mouth on behalf of a national flag for Canada; he did not say one thing either for or against it. I did not know where he stood, nor do I know where he stands now except from what he has said to-day. Further, when the resolution was before the house on the two occasions mentioned hon. members on the opposite side never rose to support it—hardly one of them. If they were in favour of the resolution, if they wanted to support it, they should have risen in their places and so showed their colours. But no support was forthcoming from the opposite side. That, however, is neither here nor there, because I am really quite pleased to think that at least one hon. member to the right of Mr. Speaker is not ashamed to stand up in the House of Commons and identify his name with a distinctive flag for Canada. May his following increase. On the other occasions I sensed the idea that hon. gentlemen opposite were afraid of the issue and were backing up or running away from it.

Mr. ROBINSON: Not on your life.

Mr. McINTOSH: The hon. gentleman is a little late with his "life" statement. Instead of courageously coming out in support of the resolution on those former occasions, it seemed to be quite satisfactory to my hon. friends opposite to have the issue thrown into the discard—to have it buried as it were. Now, however, one hon. gentleman opposite, after the battle for a national flag has proceeded for years brings up the question, and for my part I will lend him my support.

Mr. ROBINSON: That will kill it.

Mr. McINTOSH: If anyone can kill himself quicker by wild words than the hon. gentleman who has just exploded I do not know his name. He has made speeches in the house which have had the effect of killing him not only in his own riding but throughout his province. He is the last man to talk about killing anything. We all know where he stands on this question.

On Empire day when my resolution was brought up for the first time, after I had spoken for perhaps thirty-five or forty minutes on the subject, what do you suppose happened? Hon. gentlemen opposite will recall quite well what happened. As I say, it was on Empire day and I do not think there was a better day in the year to have such a question discussed. Now, there was no intimation until practically six o'clock that the house was to be adjourned, and when the resolution was before the house and everything was set for a first-class debate on this national flag question, along came the Prime Minister (Mr. Bennett) and adjourned the house abruptly at six o'clock, with the result of course that no further debate on the question took place that year. In other words, the question was not allowed to be placed before the people of the country as it should have been. In 1933 when the same resolution was up for discussion, I again spoke on it, taking the stand that if hon. members opposite and the house as a body were not then favourable to the consideration of a distinctive flag for Canada, because of emergency economic conditions, then I was quite willing not to interject at such a time the question of a national flag into the discussion of economic and financial matters, for the reason that it seemed to me important for this house to devote all its time to industrial and commercial subjects, such as the matter of trade, unemployment, and so forth with a view to relieving forthwith the distress of the people. Under these circumstances I took the ground that I would not then urge upon the house a discussion of the question of a distinctive flag for Canada. For that reason and that reason alone I spoke only briefly in 1933; and for that reason I did not place a resolution on the order paper for the session of 1934.

Now it seems to me that we have before us to-day what is very much like a case of trying to steal the other man's thunder, but I say to the hon. member for Nanaimo and to others opposite that that cannot be done by the Conservative party of Canada, nor can it be done by the hon. member for Nanaimo, because the spade work has already been done, and no matter what takes place with respect to the hon. gentleman's resolution at this time he will come second rather than first in the movement for a national flag. But even if he does come second I will lend him my support in order to help the movement along. I want to make it quite plain, once more, not only to the hon. gentleman but to the people of Canada, just where I stand on this question. The people of this country know quite well who put on the order paper of the House of Commons a resolution on behalf of a flag for Canada; they know exactly who first introduced that reso-

lution, and when. They know also that it has already been introduced on more than one occasion.

The hon. member speaks now about opposition. Well, there is no opposition now of any account. The only opposition to a distinctive flag for Canada comes from the other side of the house—from his own party. There is no opposition on this side, and this question has been kept in the background up to the present time only because of the attitude of hon. gentlemen opposite. Everyone in Canada who has read anything on this question knows that. But the opposition at the present time is nothing compared to the opposition that was very apparent a year ago when I had the honour of placing on the order paper a resolution sponsoring a national flag for this country. I had correspondence from every province in Canada, from almost every municipality, town and city, practically from one ocean to the other, and the opposition to a national flag at that time was quite apparent. But I never left one of these letters unanswered; I never let anyone who wrote me opposing a national flag get away with any baseless argument put forward along that line. The result is that to-day after years of hard work, after espousing this cause and doing the cultivating work on behalf of a national flag, after keeping the subject before the people of Canada, in all the provinces, I find that the opposition has now to a very large extent petered out or broken down. I believe that the feeling throughout Canada in the best informed circles is very strongly in favour of a distinctive flag for the dominion.

That being the case, may I direct the attention of the house to the subject matter of the resolution moved by the hon. member for Nanaimo. For instance, he says he stands for a distinctive Canadian flag. That as a matter of fact is an old question now; it has been before the house for years and I believe there is at the moment a pronounced opinion in favour of it throughout Canada.

Then he goes on to say that it must be a national flag. How could it be anything else. He also says that the union jack must be in it. He says too that we have an empire flag and that Australia, New Zealand and South Africa each has a national flag. Again, he speaks about the Southern Cross as the symbol on the national flag of New Zealand and also Australia. Then, in a news item I read in the Ottawa Journal this afternoon, he has the Journal make the pronouncement that he lives in the most British riding in Canada. Well that is news to me.

[Mr. McIntosh.]

Mr. DICKIE: Is the hon. member talking against the resolution?

Mr. McINTOSH: No, I am talking in favour of it. I am just taking up some of the statements I consider debatable with regard to the hon. member's speech. As to the statement made by the hon. member that he thinks he lives in the most British riding in Canada, I hope he does, but I do not believe he does. In this country there are other ridings just as British as that which the hon. member represents in the house. If he has the idea that his riding can by any stretch of the imagination be classified as the most British in Canada on account of the fact that a great number of the people there were born overseas, in England, Scotland, Ireland or Wales, then he has another guess coming, because I repudiate any such statement. If any person born in Canada, born in Quebec or any other province, is loyal to his king, his flag, his country, he is just as good a Britisher as anyone else. I make no apology for a statement of that kind; I do not care what his creed or his national extraction may be; he can be just as British as those who are born overseas or those directly descended from citizens born in the British Isles. That is self evident.

Another point advanced by the hon. member is that we should have on the fly of the flag a maple leaf. I do not think I ever made an address on the flag question in any part of Canada that I did not say I thought the maple leaf would make a very suitable design, but I did not think I had any right to come before parliament and say what the design on a Canadian flag should be. I thought then and I think so now a special committee of the house should be convened, consider the question thoroughly and adopt a resolution thereon. It might take a year or two to decide upon the design for a Dominion flag. If a special committee were convened and evidence adduced from well defined parts of Canada by having representatives of many of our national organizations appear before the committee and if parliament were to offer a prize of $1,000 or so for the best design, we would get not only one but hundreds and thousands of artistic designs, just as in Australia, and from these designs guided by the good sense of the committee and the House of Commons, we could certainly pick a flag that would best symbolize Canada among the nations of the world. The job is no small one; it is big; it cannot be done in a day or a week or a month, and it is something to which any party attempting to deal with it should give its very best attention. Therefore, one of the

strongest committees that can be got together in the house ought to be appointed and it should go into the flag question thoroughly and report to the house. Then the government of the day could very properly act on that report.

Prior to the first resolution being put on the order paper in 1929 and again in 1931—when I had the honour of speaking to it—the movement in favour of a distinctive Canadian flag did not amount to very much. I believe the war veterans of Canada passed a resolution practically favouring a distinctive flag for the dominion; at least they went so far as to put themselves on record that they were not opposed to it. In my address to the house on Empire day, Monday, May 25, 1931, I incorporated their resolution, because I thought it was very important to put the War Veterans of Canada on record with regard to a national flag. Hon. members who wish to turn up my address can read for themselves what the members of the Canadian Legion thought then of the question now before the house.

Further than that, members of the Canadian Weekly Newspaper Association, a national organization, went on record at London in 1929, favouring a distinctive flag. Since then literally hundreds and thousands of resolutions have been passed by organizations, clubs and gatherings of one nature or another in favour of a distinctive Canadian flag. The Kiwanians in convention assembled at Windsor, September 15, 1931, where representative business men from the Atlantic coast attended, went on record in favour of a distinctive national flag. From that day to this the sentiment in favour of a national flag has been growing—gathering splendid momentum.

May I put on record some statements made by leading Canadian newspapers with regard to this resolution? I believe the daily and the weekly press of the country, when a question of this kind arises, can size up the situation just about as well if not better than parliament, and the essence of these news items and editorials in favour of a national flag for the dominion is well worthy of our attention. For instance, the London Advertiser on June 19, 1931, three years ago, when this question was up, discussed the stand taken by Mr. T. A. Kidd, who was at that time the head of the Orange Grand Lodge of British North America, and who spoke in Hamilton. I believe Mr. Kidd is speaker of the Ontario legislature. He is a gentleman who occupies a high position and we ought to have a great regard for what he says. Let us listen to what he said at Hamilton:

> Canada has the Canadian ensign which serves the purpose for her merchant marine at sea and I have yet to see a strong argument that any Canadian is embarrassed by the union jack flying over the Canada House in London, Washington, Tokyo or Paris.

The hon. gentleman was under the impression that we are flying the union jack in Tokyo, Paris, London and Washington. He goes on record at that great gathering as opposing a distinctive flag for Canada because, as he says, the union jack is flying in those capitals and we should not disturb it there or as the official land flag at home. Therefore, he says, there is no necessity of having a distinctive flag for our country. Well the opposite is the case. The union jack does not fly over Canada House in London, it does not fly on Canada's building in Paris, it does not fly over the Tokyo embassy nor over that at Washington.

Mr. HANSON (York-Sunbury): It flies in Ottawa.

Mr. McINTOSH: That would be ridiculous, because it would not have any significance. The only flag that flies over these embassies is the red ensign, the sea flag of our country, not the union jack or land flag at all. So apparently we can use outside of Canada, in the capitals of the world, the red ensign with the coat of arms of Canada in the fly, but we cannot use it on land in Canada. Did you ever hear of a more ridiculous position for a young nation to be in? So the London Advertiser, dealing with this aspect of the question, goes on to say that this is rather a peculiar position in which to find ourselves as Canadians and it makes this statement:

> The proposal of Mr. Cameron McIntosh, M.P., in the House of Commons over which some colonials who have not read his speech are making a fuss—

And those colonials are mostly of the Tory party—

> —is merely to replace this hodge-podge by a more pleasing design, such as the maple leaf, which would be common to all the provinces. Australia has such a flag, New Zealand has such a flag. Only Canada, among the Dominions, has no distinctive Canadian emblem except—and this is the ridiculous paradox—one which is flown only overseas, or on the high seas. If all Canadians knew this the opposition to the movement for a Canadian flag would be dissolved in laughter. But when even the Speaker of the Ontario legislature is ignorant of the fact it is not surprising that misunderstanding is widespread and that prejudice can be aroused.

There is a very true picture of the situation as it exists right now in Canada, and when men talk about a distinctive flag for Canada and

oppose it without knowing the facts it is no wonder that we have not made any more progress than we have in this country in regard to that important question. May I just quote another statement? This is from the Ottawa Citizen, taken from the Manitoba Free Press, in 1932:

> But while it is not correctly used on land—
>
> That is the red ensign.
>
> —it serves the purpose for it is a distinctive emblem.

I do not agree with that. It is not a distinctive emblem; you cannot see it plainly ten feet away, and in my opinion it will never make a suitable flag for Canada. We might just as well face the issue as the Winnipeg Free Press has so often explained and realize that a distinctive flag for Canada is coming in the near future. I do not think the flag question should be made a political or a party question; I think we should show a united front upon it, and if we do the problem can be solved without arousing very much opposition. Then this quotation from the Free Press goes on to say:

> With the numerous flags, officially recognized, of the various parts of the British commonwealth now being seen at Ottawa—
>
> That is during 1932 when the imperial conference was on.
>
> —the absurdity of opposition in Canada to the adoption of a flag of our own is very plain. Canada, which led the movement for constitutional freedom and whose government has been enamoured of a "Canada first" policy, is the only member of the commonwealth which cannot use its official emblem on this occasion, and, for the sake of practical convenience, resorts to an irregularity.
>
> Surely, after this conference, the desire for a new Canadian flag will be unanimous.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. McINTOSH: Mr. Speaker, when the house rose at six o'clock I was outlining the statements in a news and editorial way of many of the leading newspapers across Canada, on behalf of a national flag. May I, before continuing some further readings of certain editorials and news statements just read the resolution to which I have referred and which was passed in London in 1929 by the national weekly newspaper organization of Canada. The resolution was as follows:

> Whereas we believe it is desirable to adopt a distinctive dominion flag for Canada, the design of which should include the union jack, resolved that we appeal to the parliament of Canada to treat this matter on a non-party basis, and we further appeal to all Canadians, irrespective of race, creed or origin, to co-operate towards the solution of this vital national question.

Then I referred briefly to the resolution of the Canadian Legion in Regina a few years ago, the conclusion of which was as follows:

> Therefore be it resolved that this convention instruct the Dominion council that in the event of any concrete proposition for the adoption of a distinctively Canadian flag being presented to parliament, that parliament be advised that no device will be acceptable to the ex-service men of Canada in which the union jack is not the predominant figure, and if the question is to be decided that we strongly recommend the retention of the union jack, with some device such as the maple leaf or the Canadian coat of arms, superimposed thereon.

Further may I say that the national sentiment on behalf of a distinctive flag and the ideals of nationhood which that flag will represent is very nicely brought out in more ways than one. I have before me a poem written by Henry Holcomb Bennett, a poet of repute in the United States. This poem is penned on the flag, and the words are as follows:

> Hats off! along the street there comes
> A blare of bugles, a ruffle of drums,
> A flash of colour beneath the sky;
> Hats off! the flag is passing by!
>
> Blue and crimson and white it shines
> Over the steel-tipped ordered lines,
> Hats off! the colours before us fly;
> But more than the flag is passing by.
>
> Sign of a nation, great and strong
> To ward her people from foreign wrong;
> Pride and glory, honour all
> Live in the colours to stand or fall.

Then the last verse of it is:

> Hats off! along the street there comes
> A blare of bugles a ruffle of drums;
> And loyal hearts are beating high:
> Hats off! the flag is passing by!

That depicts splendidly what a national flag stands for. Then we have Kipling on the union jack, one or two verses of which are as follows:

> It's only a small bit of bunting,
> It's only an old coloured rag,
> Yet thousands have died for the honour
> And shed their best blood for the flag.
>
> We hoist it to show our devotion
> To our King, to our country, and laws;
> It's the outward and visible emblem
> Of advancement and liberty's cause.

Then the last verse:

> You may say it's an old bit of bunting,
> You may call it an old coloured rag;
> But freedom has made it majestic,
> And time has ennobled the flag.

May I continue my argument by referring to the fact that His Excellency the Governor General of Canada has a new flag, and I think it dates from the time the Earl of Bessborough took office in Canada. The old Governor General's flag was simply the union jack. It was no longer suitable—distinctive.

Mr. BENNETT: I just wish to correct that statement; it is the king's flag.

Mr. McINTOSH: Yes, His Excellency represents the king. Naturally it would be the king's flag.

Mr. BENNETT: Just a minute; it is the king's flag which is flown by all governors general in all parts of the king's dominions.

Mr. McINTOSH: Is it not only flown in the dominions of the empire?

Mr. BENNETT: That is what I said.

Mr. McINTOSH: That is what I also said. The old flag flown by governors general of Canada was simply the union jack with a shield superimposed upon it carrying the old arms of Canada surrounded by maple leaves and capped by the crown. The Earl of Bessborough, speaking before the Canadian Club of Ottawa about this new flag of the governor general, said:

To some, I believe in Canada a negligible majority, this new flag may seem a thing of small import; a mere piece of decorative heraldry, a relic of things that are old and out of date. Such a view of it, if held, springs to my mind from a dangerous illusion; the illusion, only too common to-day, that those two words "old" and "out of date" necessarily mean the same thing. That the idea of a flag is an old one is unquestionably true; it is so old that it makes its appearance in the very dawn of civilization. The human race, ever since it began to march at all, has never been able to march without the guidance of some symbol; and the function of such symbols has been two fold—they point out to mankind a better way for the future and they remind them of good that has been achieved in the past.

Then at a later point His Excellency said:

It is in some such light, I believe, that most of us see this new flag; we see it as the outward sign of a very important and wholesome step in the political evolution, not only of Canada, but of the entire British empire; we see it as a picture in miniature of that empire itself. You have no doubt looked at it carefully. Have you observed its detail closely? It contains in the centre a crown surmounted by a lion on a deep blue ground—let your imagination play upon it. It is the crown of England set in the middle of the seas of the wide world, guarded by the lion, that has always been the totem of the British race; we are perpetually reminded by the single word "Canada" written beneath the Imperial crown, of Canada's age long and historical association with that crown; and it symbolizes for us—if I may play upon the word—the proud standard of the history and tradition of our race set up high for all of us to follow.

Now, Mr. Speaker, we have a new flag for the representative of the king in Canada, and our endeavour is to have a new flag for Canada as a nation. I have here the reproduction of a flag that has been sponsored by the Native Sons of Canada. I would say I am opposed to that flag for one reason—the union jack is not in it. The resolution sponsored by myself in the House of Commons years ago provided for the union jack in the upper left hand corner. Personally I want to say in parliament to-day that my name will not be identified with a distinctive flag for Canada unless the union jack is incorporated in that national flag.

Had I time I might go on to quote many important passages from the press of Canada supporting this stand. For instance, here is a line or two from the Orillia Packet and Times:

But for our part we have never seen any reason why Canada should not have such a flag; and there are many reasons why, when inter-empire gatherings such as that at Ottawa are held, there should be some method of distinguishing the Canadian colours.

Then from the Toronto Daily Star of July 28, 1932, I read the following:

The flag issue was not raised; it raised itself, and nothing could be more absurd than to suggest that under these circumstances the newspapers should say nothing about it. It is easily understood, however, that those newspapers which oppose a Canadian flag do not want it talked about on an occasion which so vividly illustrates the need of one.

Then we have the Stratford Beacon-Herald, which really opposes a national flag for Canada, making this statement at the conclusion of an editorial:

If the Canadian people did decide to have a new flag it would mean doing away with the union jack as we have it now, and there are many pepole in this country who would not care to do that; in fact, many of them would not do it, and there would be no way to force unanimity of opinion and action.

A national flag for Canada would not necessarily interfere with the union jack at all. I want to make it plain, Mr. Speaker, that it would not in any way interfere with our empire flag, which would still fly and symbolize the empire whenever we desired. A distinctive flag for Canada would only supplement, not supplant, the union jack; that is fundamental. We could fly Canada's distinctive flag, and fly the union jack as well on occasions definitely settled by parliament. So there could be no

opposition to the union jack by authorizing a distinctive flag for Canada—none whatever.

We have this statement made by the Winchester press:

Candidly, we do not see why Canada should not have a flag that is at once British as well as Canadian. The governments of the dominions have adopted national flags. Why there should be any fuss about Canada having a flag that would be pronounced Canadian as well as British we cannot understand. This opposition to a "Canadian Flag" is silly sentiment and should not stand in the way of our government adopting a Canadian flag.

The Brockville Recorder and Times says:

If opponents of a Canadian national flag, in which the union jack could be embodied, were consistent, they would instantly demand that Canada abandon its red ensign and return to the flag of the British merchant marine. There is, however, no demand for such abandonment. Why should there not be equal approval of the institution of a Canadian national flag to fly on land? Mr. Chamberlain probably wonders. So do a great many others, who are quite unable to fathom the reasoning of those who object to such a proceeding.

The Perth Courier, a leading weekly, says:

There is no thought either in any Liberal's or Conservative's brain to do away with the time-honoured union jack in our national flag. We all love the old flag and its christian three-cross design too well to abandon it for any other. No other flag has so wonderful a history or has earned so loving a tribute from its far-flung peoples as this emblem of the empire; and so we in Canada must honour this feeling and all the sentiments involved by retaining in the most prominent corner of any flag that may be adopted this old union jack with its historical and fond memories.

The Hamilton Herald makes this statement:

If prejudice could be put aside and reason were allowed to rule, it would be easy to make a compromise arrangement satisfactory to all parties.

The Brantford Expositor thinks that if an agreement could be reached whereby a Canadian device would appear on the union jack it would promote an intenser feeling of patriotism and citizenship not only for the dominion but for the empire. Canadians, it says, are surely not afraid of an emblem that would characterize the flag as their own.

The Kingston Whig-Standard, in concluding an editorial, makes this statement:

There is no reason why Canada should not have its own distinctive flag. It will make us no less loyal and no less a part of the British Empire. Now that the idea of a distinctive Canadian flag has been publicly adopted by the Kiwanians of Ontario, Quebec and the maritime districts, it is quite possible that the matter will receive wider attention than it has received heretofore, and that something tangible will result therefrom.

[Mr. McIntosh.]

In concluding, Mr. Speaker, may I say that I believe it would be only right for the house to have a clear-cut and complete debate on this question, and not merely a clear-cut debate but a recorded vote, so that we will know exactly where every member representing a Canadian constituency stands on this question of a distinctively Canadian flag. My opinion is that if that were done the house would carry this resolution, and if it did, the next step would be to set up a parliamentary committee which would investigate this question from every angle, and have the report endorsed by parliament and thereafter at the opportune time have it decided what flag design should be adopted. The success of the whole undertaking would depend upon the committee established as well as upon the direction of parliament. Of course, time would be required to settle all the details. I believe that not only the house if allowed a free hand but Canada as a nation and our empire's king are all in favour of every dominion having a distinctive flag of its own, and any opposition trumped up in this house or out of it is merely shortsighted opposition. So far as I am concerned as an hon. member of this house I would like to see parliamentary action taken on this resolution immediately so that in the very near future we can have the flag problem worked out in such a way that Canada will have a truly national flag that will take its place proudly among the most beautiful, the most honoured and the most beloved of the many national symbols floating on high the earth around.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, after listening to the speech of the hon. member for North Battleford (Mr. McIntosh), if the mover of the resolution (Mr. Dickie) will not mind my saying so, I would suggest that he walk across the floor with this baby which the hon. member for North Battleford accuses him of having stolen and place it on that hon. gentleman's desk, and then I hope that this side of the house will be rid of it altogether.

I admire the sincerity of the hon. member for Nanaimo (Mr. Dickie) in bringing this resolution before the house. The member for North Battleford placed a similar resolution before us on two former occasions, in 1931 and in 1932. I listened to both debates in those former years and I have listened to the debate to-day, and now more than ever I am convinced that we Canadians have a priceless heritage in having the right to fly from the flagpole of this building the union jack, and I for my part in the few words I am going to say will do my best to maintain it there.

As I understand it, Canada at the present time has an official flag for every occasion. In 1865 the Colonial Defence Act decreed that the blue ensign, with the Canadian coat of arms on the fly, should be the official flag for Canadian government ships. In 1892 an admiralty warrant was issued that the red ensign, with the Canadian coat of arms on the fly, should be the official flag for the Canadian merchant marine. On May 21, 1912, the Secretary of State for the Colonies sent a dispatch to the Governor General of Canada that the union jack should be the official flag for Canada. Therefore, Mr. Speaker, as we have official flags for all occasions, I do not see why we need to change the flag we have.

I quite understand why on water a Canadian ship should have some emblem on the fly of the flag to distinguish that it is a Canadian ship and not one of Great Britain registry, and I can quite see why on our legations in Tokyo, Washington, Paris and elsewhere we should fly the red ensign, with the Canadian coat of arms, which I am informed by the office of the Secretary of State is the official flag for these legations. I cannot see any reason why we should change from the use of the union jack because there is no international competition on land on the north half of this continent.

Mr. ERNST: If the red ensign is the official flag for Canada abroad, why should we not have a Canadian flag for use at home? Why should we have a different flag abroad from that used at home?

Mr. McINTOSH: That is the essence of the problem.

Mr. MacNICOL: We are particularly favoured by having three flags. We have an official flag on land; another on sea for merchant ships; and the admiralty has granted a special flag for our government ships. The British government also has three different flags. The only difference between our flags and theirs is that we have a Canadian coat of arms on the red ensign flying at the masts of our merchant ships. The same flag is used for the legations while the blue ensign with our coat of arms is used on ships in our government service.

Mr. ERNST: Why should there be a distinction?

Mr. MacNICOL: There is not any.

Mr. ERNST: There is.

Mr. MacNICOL: Except that the coat of arms is on our flags. There have been many discussions in this house, some of them more or less educational—

Mr. McINTOSH: Might I ask the hon. member a question? According to what he has said—

Mr. MacNICOL: If the hon. member is going to ask the same question, he had better read the answer I have just given to the other hon. member.

Mr. McINTOSH: I did not intend to ask the same one.

Mr. MacNICOL: As I say, there have been many discussions of an educational and academic nature in this house. Some folks think that such discussions are a waste of time, but I do not agree. I believe there is much to be learned from such discussions. However, I am convinced that there is a proper time for the discussion of resolutions similar to this one and perhaps there are other times when such discussions are a waste of time. When I go home and find so many men in need of employment I know that they are more interested in measures to relieve unemployment than in discussions of an educational nature.

Mr. McINTOSH: That is the stand I took a year ago.

Mr. MacNICOL: The hon. member took up forty minutes but I do not propose to take up so long as I do not think the matter requires so much answering. In every depression we have such discussions. Since this depression commenced we have had a resolution to change our system of finance, to inflate, deflate and reflate our money, and resolutions covering other subjects. As the hon. member has said, he was the first to introduce this matter.

We are still in the depression and another resolution to change our flag is brought forward. Is there anything that is inviolable? Is there anything that is safe? Is there anything in which we can put our faith? Is there anything that is not going to change? I recall the twenty-eighth verse of the twenty-second chapter of Proverbs, which reads: Remove not the ancient landmark, which thy fathers have set. Of all the ancient landmarks in the world to-day, in my humble opinion the union jack is the most sacred. I remember being up in the county of Grey where I go quite frequently and visiting the son of a pioneer who had settled on a farm in 1850. He was repairing a line fence and his man was going along the fence and taking down some rotten rails. He came across an old, roughly hewn stake which had some roughly carved marks upon it. Like so many

young men—I do not mean this to apply to all young men as I am a great admirer of the youth of this generation—he was about to destroy that stake when the son of the pioneer stopped him and said: Hands off, that is the stake placed by my father and the surveyor in 1850; I want it to remain there.

In the union jack we have three very ancient landmarks, all going back into mythology. They go farther back than any other landmark of which I know. We have the landmark of the cross of St. Patrick. That was the cross carried by St. Patrick into the Emerald Isle where he taught the words of the Nazarene. Then we have the cross of St. Andrew. Mythology tells us that St. Andrew was martyred in Greece and his body transported miraculously to bonnie Scotland. Then we have the cross of St. George. Mythology tells us that this was the cross which was on the white banner of St. George when he appeared before the English armies and saved them from the Saracens. These are ancient landmarks and I say to those who would support this resolution: Remember the landmarks that our fathers have set and remove them not.

It has been stated that other dominions have a distinctive flag. That is true, but Canada is the greatest of all dominions, and are we to be leaders or merely followers? Simply because another dominion has a distinctive flag is not a conclusive reason why Canada should adopt one. I read very carefully the debate which took place in the South African house on this question, and if I do not miss my guess, there will be millions in South Africa, Australia and New Zealand who will be very happy if this house does not follow in their footsteps. I hope this house rejects this resolution and decides not to pull down the union jack and erect some other flag in its place. The union jack has tradition behind it; it is the official flag of this country and it should not be pulled down. I hope this resolution will be rejected by a large majority.

The hon. member who has just sat down gave a number of quotations from newspapers which supported the resolution he had moved along similar lines, but I could quote thousands of quotations from newspapers condemning his resolution.

Mr. McINTOSH: Quote some of them.

Mr. MacNICOL: The time of the house will not permit. He referred to various associations and so forth that had supported his resolution, but I could refer to scores that opposed it. After reading the debates which took place in the legislatures of the other dominions I came to the conclusion that some

[Mr. MacNicol.]

educated and gifted orator like my hon. friend across the aisle and like my good friend on this side was able to present an argument which for sheer lack of defenders of the union jack was agreed to and the union jack was pulled down. I hope defenders will not be lacking in this house. If they are, I shall be very much surprised.

A few moments ago I said that perhaps some good comes out of an educational debate even in times like this, and I believe that some good may come out of this one. The mover of the resolution has suggested the maple leaf in place of the arms of Canada. Well, if he had proposed a resolution to put the maple leaf on the fly of the flag which is flown over the legations, or on the ships of the Canadian merchant or government marine, I should have no particular objection, because in each of those spheres there is competition, and if the people of Canada desire to have one emblem or another, that is their business. But on land, on the north half of this continent, there is no competition. I have a recollection of coming here on the first day of the imperial conference, and as I walked up past the post office, where all the flags of the dominions were flying outside the walls, I saw various stripes and bars and colours. But when I passed by that building and came up the main walk in front of this building and saw the flag that was flying at the mast of the memorial tower, I was never so proud of any flag as I was then of the union jack. It was to me the finest of flags and its colours stood out more beautifully than any I had ever seen except the colours on the battleship Hood, in Victoria harbour a few years ago, where I had gone with a committee to receive the admiral. The colours of our flag, displayed on that opening day of the imperial conference, were more brilliant than any other such colours I had seen before—the blue, the red and the white. The blue recalled to my mind the crest of the waves as one crosses the ocean, a beautiful blue. The red suggested the sacrifice of the British people down through the ages, marking the pathways for the ships of commerce, leading to every harbour throughout the world—not for military glory alone but for the glories of peace as well. And the white stood for the honour of our nation, standing like a beacon light before the world.

The union jack, with its three colours, its three crosses, is complete. You cannot add anything to it. If you attempt to add to it you add not, and if you take away from it you take from its completeness. There might

be some reason for enacting legislation, if there is not at present such legislation, to make necessary the flying of one flag on land in this country. I have in mind what the late Mr. Justice Logie said when he opened court at Welland on October 20, 1931. When he arrived he observed flying on the flagstaff of the courthouse a flag other than the union jack. He knew that the official flag in Canada is the union jack, and that this flag should be on the flagstaff of all government buildings, and he made the following remarks to the grand jury, at that time, as reported by the Mail and Empire:

> Gentlemen,—when I arrived for this session I observed a monstrosity at the head of the court flagstaff, a cross between an admiralty flag and a patchwork quilt. I have ordered the sheriff to take that thing down. It is important and proper that the union jack be flown here, especially as there are so many foreigners in this district. That thing at the head of the mast now is not the flag to be flown over His Majesty's courthouse. I hope you will bring in a recommendation that a new flag be purchased. In the meantime, the proper union jack will be flown, even if it is in tatters.

The fact is, Mr. Speaker, that our highways are to-day cluttered up with all sorts of monstrosities in the way of flags, and the time has come when there should be a rebirth of patriotic spirit in this country, such as there is across the line, where they fly only the stars and stripes. I give that nation to the south of us credit for teaching their people to be loyal to their flag and to fly it and it alone on all public occasions, and I say that we should not have the highways of Canada cluttered up with a regiment of monstrosities. If, therefore, the resolution before the house to-night does nothing more than to direct the attention of the Canadian people to the fact that the time has come for a proper realization once more that on land the union jack is the official flag of this country, then the resolution serves a good purpose. The people might learn further that when that flag is flown it must be attached to the mast with the wide part of the cross of St. Andrew along the top. Quite often we see it upside down, and perhaps Judge Logie witnessed something of the sort. The flag should be flown properly, and on land the official flag is the union jack. I do not see why this is not taught in the schools; I contend that this should be done, so that we might not have all this discussion about changing flags and getting a new flag. All such discussion should be a thing of the past, and the boys and girls of this country should be taught the full meaning of the flag with the triple cross which flies over land inhabited by a quarter of the world's population.

I yield to no one in my love for Canada. I am a Canadian of the fourth generation, the first generation of which was a Scottish veteran of a Scottish regiment that took part in Quatre Bras and Waterloo. I glory in the achievements of Canadians, and I respect and admire the achievements of all creeds and races and colours; I have nothing to say against any race, because I realize that we are all God's creatures and should do our best. Canadians have every reason to be proud of what this country has accomplished, and when I hear this talk about pulling down the flag I think of the regiments that left the shores of Canada between the years 1914 and 1918. Many of the men that went overseas failed to come back, but the flags came back and to-day right across Canada you will see those flags hanging in our churches and in our great cathedrals and public halls. Those flags should remain there, a perpetual memorial to those who did not come back; and to those who are willing to see them pulled down, I say that if the union jack is to fly over the peace tower where the names of our fallen heroes are to be inscribed until they say "pull it down," it will fly until the crack of doom.

Mr. R. S. WHITE (Mount Royal): I regret greatly that I was not in my seat this afternoon to second the resolution of the hon. member for Nanaimo (Mr. Dickie) because I had promised to do so. Now, the subject of a flag always lends itself to heroics, mock or otherwise, but I do not intend to indulge in anything of that kind. I cannot understand, it is incomprehensible to me how any member of this house or anybody out of it can suggest a change, a displacement of the union jack, and retain his self respect. For I am certain that he cannot retain the self respect of the people of this country if he attempts to lay unholy hands upon the union jack. But the proposal before the house is not to remove the union jack in any way whatsoever; it asks merely that upon the fly there be placed an emblem significant of Canada. We have that now in our merchant marine flag—the matter has been referred to frequently during this discussion—the Canadian coat of arms. I could almost defy anybody to determine from a look at the merchant marine flag what that particular emblem means.

This is not a new subject. I can well remember more than forty years ago when I had the honour of a seat in this house, that the then member for St. Antoine, the late Lord Strathcona, devoted a large part of a sitting to an endeavour to persuade the members to adopt what might be called, if you will, the national flag of Canada. I forget

whether the design he favoured was such as is suggested by the hon. member for Nanaimo (Mr. Dickie) a maple leaf, or a spray of maple leaves. Lord Strathcona did not succeed in his effort at that time but I shall be greatly surprised if the hon. member for Nanaimo, myself and others who may think with him, fail in our effort to-day. But let this be well understood, that it is not proposed to displace or mutilate in any way the union jack. Are the people of the Commonwealth of Australia less loyal because they have upon the fly an emblem significant of that commonwealth?

Mr. McINTOSH: No, they are not.

Mr. WHITE (Mount Royal): Are the people of New Zealand less loyal because they have followed the same course?

Mr. McINTOSH: No.

Mr. WHITE (Mount Royal): Are the people of Canada lacking in loyalty because they place the dominion coat of arms on the merchant marine flag? Certainly not. Years ago the emblem of the old province of Canada was the beaver and I can recall suggestions made that the beaver might well be placed upon the fly as indicating that the flag was a Canadian one. But while the beaver is a very industrious animal with a good deal of ingenuity and skill, placed upon a flag it too much resembles a rat. No such objection, however, can be made to what I venture to say is the most beautiful leaf to be found on any tree that grows.

I want to read to the house just a few words in respect of the union jack. The late Hon. Alexander Mackenzie, whom few hon. members will have known as I had the pleasure of knowing in his lifetime, once Prime Minister of Canada, I think in 1876 was attending a banquet given by the Board of Trade of Saint John, New Brunswick, on which occasion the United States consul at Saint John and the late James G. Blaine, one time candidate for the presidency of the United States, and a very distinguished United States public man, were present, Mr. Mackenzie, in the course of his speech, said this:

> I hope that the people of the United States and of Great Britain will always remain true to those principles on which their institutions are founded and that their flags may wave together in beauty and harmony in many a distant land,—the one bearing on it the emblem of the might of the Creator, the starry heavens, which express His infinite power, and the other emblazoned with the emblem of God's greatest work—the redemption of man.

I yield to no man in Canada in my loyalty to the British flag, the union jack, and I would be last to lay the hand of desecration upon it. The resolution proposes to perpetuate that flag. We are a British commonwealth of nations, or I think it is a commonwealth of British nations, of equal status under the statute of Westminster, and to place an insignia upon the fly means merely that that flag represents the Canadian dominion within the British commonwealth and nothing more. I have pleasure in supporting a resolution which does not go one iota further than to place upon the fly of the union jack something emblematic of the Canadian dominion.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, if the house is to vote on this question, I feel I should state my position in regard to it. My constituency is situated in a city where the opposition to a motion such as this or the motion of two years ago of my hon. friend the member for North Battleford (Mr. McIntosh), is strong indeed. There may be bodies in that municipality which would strongly endorse the resolution, but the general opinion and feeling of the whole city is, I take it, against any such thing.

I do not desire to indulge in any heroics about the flag. The hon. member for North Battleford recited to us an American poem which, so far as I remember, began, continued and ended with the words "hats off." It had to do with the feelings and emotions stirred by a flag being carried past, and the sense of it, according to my hon. friend, was that that flag embodied within its folds the traditions, aspirations and ideals of the nation. If that be an argument, it is one for retaining here the union jack as it is to-day; for from my boyhood days I have followed that flag in one way and another; I have admired and reverenced it, as have all hon. members of this house. The traditions of my country, as far as a flag can embody them, are embodied in the union jack. So if we are to exchange that for something of another kind we should have to build up around that new flag a host of traditions which now belong to the one we have used for so many years.

My hon. friend's argument if it be an argument, is I think sufficiently answered by this: Why seek a change? The union jack is the official flag of this country. I have listened, with pleasure and profit in one or two instances, to the speeches that have been made in support of the resolution, and when the hon. member for Mount Royal (Mr. White) added his voice of authority to the discussion, if anything could have convinced me that this is a proper motion for this house to pass I should have been convinced by him. His speech was moderate and well-reasoned. He

does not seek to replace the union jack, but does he not seek by this motion to relegate it to a position of inferiority as compared with the position which it occupies now? Now it is the whole; by that proposal it merely becomes one corner of the field. Is there any confusion in this country because we have the union jack for our flag? With what would it be confused? Is there any one who would suppose that in this country when the union jack flies it flies as the emblem of Great Britain? In Canada it flies as the emblem of Canada.

An hon. member addressed a question to the hon. member for Toronto Northwest (Mr. MacNicol) as to the use of the red ensign on the legations. He asked a very proper question: Why should we not have our national flag there? To me the answer is perfectly clear; if we had our official flag flying there it would be in a place where it might be confused with that of the British Empire. But we have seen that difficulty and presumably by order of the council the legations are permitted or probably directed to fly a flag that is distinctive because it is in a place where it needs to be distinctive. But here in this country I would have to be given a better reason for displacing the union jack than any that has been given. I accuse no hon. member of anything when I ask: is it because they want to assert this so-called new-found nationality of ours, to emphasize the fact that we have in a way departed from our old status and acquired a new, that they call for a new flag? Are we not trying unduly to emphasize our nationhood by this suggested new flag? I submit that if that is the object there is no necessity for our doing anything of the sort. We are as strong a people within the British Empire as one could wish. No one is denying us our place in the empire; no one is seeking to detract from our authority and position there in the slightest degree. If that be the reason for the proposal then it seems to me it is not compelling. If it is not going to confuse anyone, if it is not required to assert our nationhood which presumably we have recently found, what other reason can there be? What is the desirability of it?

My friends have said in a general way that it would be nice if we had a flag of our own. We have such a flag. If it is satisfactory to us as a flag to fly on land, then why change it? The hon. member for Mount Royal has indicated a special flag that he would support, but there is nothing in this motion to ensure that that is the flag that we would have. The flag proposed by this resolution is a flag yet to be designed, and whether it will have the maple leaf so dear to my hon. friend's heart on it or not who can tell? But despite what the hon. member for North Battleford said, I believe there is no preponderance of opinion in this country that wishes to remove from its official place the union jack, the flag of this country. It has done us no harm and has brought us great glory; we have learned to love it, and there is something in me that makes me view with the greatest possible apprehension and sorrow the suggestion that we should change this flag under which we have lived all our lives. If there is a reason that I have not grasped I should like to hear it, but the reasons that have been given are not sufficient; neither is the demand of a certain number of people who pass a resolution sufficient. I think this is a thing that a man has to decide for himself, and if he feels within himself something that causes him to be in strenuous opposition to such a proposal I think he should express it. That is my personal feeling; it is very deep rooted, and I should regret very much to see this motion pass and shall oppose it if it comes to a vote.

Mr. ARTHURS moved the adjournment of the debate.

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

YEAS

Messrs:

Anderson (Toronto-High Park)
Arthurs
Barber
Barrette
Beaubier
Belec
Bennett
Bowman
Burns
Bury
Cahan
Casselman
Chaplin
Cotnam
Cowan (Long Lake)
Davies
Dupré
Duranleau
Fraser (Cariboo)
Gobeil
Gordon
Hackett
Hanson (York-Sunbury)
Hay
Loucks
MacLaren
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
McLure
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Mullins
Murphy
Myers
Nicholson
Perley (Qu'Appelle)
Pettit
Plunkett
Porteous
Price
Robinson
Ross
Ryerson
Simpson (Simcoe North)
Smith (Victoria-Carleton)
Smith (Cumberland)

Smoke	Tummon
Spankie	Turnbull
Stanley	Weese
Stewart (Leeds)	Weir (Melfort)
Stewart (Lethbridge)	White (London)
Stirling	Willis
Swanston	Wright—64.
Thompson (Lanark)	

NAYS

Messrs:

Beaubien	Kennedy (Winnipeg South Centre)
Bertrand	King, Mackenzie
Bouchard	Laflèche
Boulanger	Lucas
Bourassa	Mackenzie (Vancouver Centre)
Bradette	McIntosh
Brown	Michaud
Butcher	Motherwell
Carmichael	Munn
Chevrier	Neill
Coote	Parent
Dickie	Reid
Duff	Roberge
Ernst	St-Père
Gagnon	Spencer
Gardiner	Stewart (Edmonton West)
Gershaw	Stitt (Nelson)
Girouard	Stitt (Selkirk)
Golding	Totzke
Hanson (Skeena)	Veniot
Heaps	Weir (Macdonald)
Howden	White (Mount Royal)
Hurtubise	Woodsworth
Ilsley	Young—49.
Kennedy (Peace River)	

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted for the motion to adjourn.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the motion to adjourn.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted against the motion to adjourn.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted against the motion to adjourn.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted I would have voted against the motion to adjourn.

Mr. McGIBBON: I was paired with the hon. member for Quebec South (Mr. Power): Had I voted I would have voted for the motion to adjourn.

[Mr. Arthurs.]

Mr. GARLAND (Carleton): I was paired with the hon. member for Russell (Mr. Goulet). Had I voted I would have voted for the motion to adjourn.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted for the motion to adjourn.

Motion agreed to and debate adjourned.

PRODUCTION AND DISTRIBUTION

PROPOSED INVESTIGATION OF SPREAD BETWEEN PRICES OF RAW PRODUCTS AND MANUFACTURED GOODS

Mr. ROBERT McKENZIE (Assiniboia) moved:

That, in the opinion of this house, an immediate inquiry should be made under the provisions of the Research Council Act, Chapter 177, R.S.C., 1927, or by other means, into the causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products.

He said: Mr. Speaker, in presenting this resolution to the house hon. members will note that I have followed the form of my resolution presented on February 6, of last year, upon which occasion I was supported by some of my friends. Later the resolution went to the bottom of the order paper and was not reached again during the session.

At the time I introduced my resolution of a year ago I drew attention to a number of anomalies in prices, particularly those anomalies in the prices of farm products in the raw state, and the prices of the same products after processing. Upon that occasion I desired, as indicated in my resolution, to have the research council during the recess period go into the matter of these anomalies in prices, in order that legislation could have been presented at this session based on their report. This evening it is not my intention to deal, as I did last year, with particular items, but rather to speak in general terms. When the Prime Minister (Mr. Bennett) introduced his motion of February 2, dealing with some of the matters contained in my resolution my inclination was to withdraw from the order paper the resolution standing in my name, in the hope that the committee to be set up would deal effectively with the questions I had in mind. Since then, however, I have given considerable thought to the matter and have come to the conclusion that the committee which has been set up, sitting as it will be for only a few hours a day, a few days each week, cannot by any means meet the situation I have in mind. Its efforts

will be entirely inadequate to deal with the great volume of business which will come before it, and for that reason I believe the work of that committee might well be supplemented by the investigation I propose.

After the committee was set up about a week ago I noticed headlines in the newspapers referring to it as a committee on mass buying, and those newspaper articles prompted me to proceed with my resolution. The question of mass buying does not in any sense enter into the resolution standing in my name. The people with whom I am concerned do not consider mass buying an evil. As I view it, mass buying is only a system which has grown up during the last few years which has for its purpose the overcoming of an evil, and cannot be considered an evil in itself from the consumer's viewpoint. Further, I have proceeded with the resolution because I believe the method adopted by the government, namely that of appointing a special committee, is altogether too cumbersome, and it will take too long to accomplish anything. On account of the urgency of this matter I believe the suggestion I have offered should be accepted, so as to supplement the work of the committee, in the hope that some remedial legislation may be effected while the depression exists. If we go through this depression without doing something along the lines I have indicated I am afraid that, in the event of another depression in a few years conditions would be found to be worse than those now prevailing. Particularly would this apply to those who are suffering most in these days, namely the poor people.

There is another reason why I desire to present this resolution, and that is in relation to the personnel of the committee that has been appointed. I am going to ask the Prime Minister, through you, Mr. Speaker, if he thinks it is just and right that the Minister of Trade and Commerce (Mr. Stevens) should be permitted to sit in judgment on that committee. I am going to read a letter written by the Minister of Trade and Commerce to a gentleman by the name of Hermiston, and which was published in a paper called the Parliamentary Critic, Ottawa. The letter, dated Ottawa, January 19, is as follows:

Dear Mr. Hermiston,—

I have your letter of the 17th and thank you very much for the illustrations attached to show the evil influence of the department and chain store system.

We are now continuing the investigation and hope to build up a pretty strong case. The information you have given will be useful.

Yours very truly,

H. H. Stevens.

In view of that letter I say in all seriousness that as the Minister of Trade and Commerce has prejudged the question he ought not be allowed to sit in judgment on a committee of that kind, and I am bringing it to the attention of the government in the hope that they will take my objection into their very serious consideration.

Last year when I presented this resolution I dealt largely with the question of wool and woollen clothing, for the reason that woollen clothing is so necessary in the part of the country from which I come, and also because there are so many people, even those who are raising wool, who are not able to buy it back in its manufactured form, and are therefore suffering from the want of it. I believe that the resolution I am presenting strikes at the very root of this depression, and that if the matter complained of were remedied it would go a long way towards our recovery from this depression. Certainly when another depression comes along, as they appear to do periodically, it will bear much more heavily upon the people if action along this line is not taken in the meantime.

The outstanding feature of the present depression so far as the farming community is concerned has been the unprecedented decline in the prices of commodities, more particularly farm products, without a corresponding fall in the prices of manufactured goods. Our trouble is due not only to the fact that farm prices have depreciated enormously, but also to the disparity between the decrease in farm prices and the decline in the prices of manufactured products. While manufactured products are lower in price, as we will all admit, they have not dropped to the low levels reached by the prices of raw materials and natural products generally. I repeat, as I have stated before in this house as well as elsewhere, that a depressed agriculture, such as we have in Canada to-day, is one of the main reasons why we have falling revenues, unemployment, the railway problem and a good many of our other major problems. Let me give a few figures which will prove what I have said, that the prices of farm products have fallen to a greater extent than the prices of manufactured products.

Taking 1926 as a normal year, with the index figure of prices of that year for both manufactured and farm products at 100, we

find that the prices of farm and manufactured products stood as follows in the years from 1927 to 1933:

	Index price	
	Farm products	Manufactured products
1927	102.1	96.5
1928	100.7	95
1929	100.8	93
1930	80.6	85.2
1931	56.3	74.9
1932	48	70
1933 (eight months ending August)	50	69.5

In other words, from 1926 to 1930 the prices of farm products fell 19·4 per cent and of manufactured products 14·8 per cent, while from 1930 to 1933 farm products fell 30·6 per cent and manufactured products only 15·7 per cent. To put it in another way, in 1926 one dollar's worth of farm products would buy one dollar's worth of manufactured goods; in 1927, ninety-five cents' worth of farm products would buy one dollars' worth of manufactured goods on the basis of 1926 prices. For succeeding years, still on the basis of 1926 prices, the values of farm products required to buy one dollars' worth of manufactured goods were: in 1928, ninety-four cents' worth; in 1929, ninety-two cents' worth; in 1930, $1.09 worth; in 1931, $1.33 worth; in 1932, $1.44 worth, and in 1933, $1.49 worth. By this it may be seen that the manufacturing industries did not suffer to anything like the same extent as the farming industry. I contend, and these figures go to prove, that if farm products were on the same basis as other products, if one dollar's worth of farm products would buy one dollar's worth of manufactured products, we would still be able to buy and sell, and the country would not be in the condition it is in to-day. But when we have to give almost $1.50 worth of farm products to buy one dollar's worth of manufactured goods, recovery is almost impossible so far as the farming industry is concerned.

On the second day of this month the Prime Minister introduced a resolution appointing a committee to inquire into some of the matters which are mentioned in my resolution. At that time, speaking to that resolution, I stated that I believed that combines, the high tariffs and special duties and other regulations of the National Revenue department were largely responsible for the wide spread in prices between natural products and the same products in a manufactured state. The question has often been asked why it is that this depression appears to bear so much more heavily upon the farmers and the labouring classes than former depressions did, and particular reference is made when the question is asked to the depression of 1920-1922. The answer that I have given, and I believe it is the best answer available, is that tariffs are higher in Canada to-day than they have ever been before in the history of this country, and the manufacturers in Canada, in spite of what may be said, are taking advantage of those high tariffs. The labouring men and the farmers cannot obtain by any stretch of the imagination any benefit from these high tariffs. This is largely the reason why the depression is bearing so much more heavily to-day upon the farming community than it did previously. The very fact that the manufacturers are taking advantage of the high tariff compels the farmers and labouring people to pay higher prices for the products they need than otherwise would be the case. This has been denied many times from the other side of the house; hon. members opposite try to make out that the tariff is not responsible for increases in prices, but I remember last year when the Minister of Finance (Mr. Rhodes) brought down his budget he stated that many manufacturing industries were operating in the red because they were able to operate only twenty-five, fifty or sixty per cent of their capacity. He stated that that was why they required higher tariff protection. To my mind that is an admission that these manufacturing industries are taking advantage of the tariff. If they are not, and this is something I should like investigated, it is because there are too many industries in certain lines attempting to operate in Canada.

Business in all lines is calling out for some relief. The resolution of the Prime Minister and the setting up of a committee has met with a good deal of favour, but so did the resolution which I presented a year ago. I contend that had that resolution been adopted last year we could have been in a fair way to having some legislation to remedy the conditions of which I complained. Even now it is not too late. I cannot see how this committee, which will sit only a few hours a day for a few days each week, can do any more than touch the fringe of this big question. The president of the United States has been given wide powers to deal with just such matters as were mentioned in my resolution, and he is making a determined effort to deal with the problem. He is dealing with it in a big way, and I believe that if there has been an improvement in conditions in Canada it is because of what is being done in the United States. I believe that that country is an indispensable factor in the world recovery

which we all hope will come very soon. It will be noticed that the United States is beginning to deal with reality and is now tackling the tariff problem with a view to reducing duties and bringing about greater trade with other nations of the world. That country realizes, as must every country sooner or later, that economic exclusiveness, as it has been termed here, tends to make the problem harder to solve.

I have always been at a loss to know why our representatives at the conference held at Ottawa in 1932 did not endeavour to have some provision made whereby the better quality clothing manufactured in Great Britain, which could be sold here at a price lower than the poorer quality manufactured in Canada, could continue to be brought into the country Such a measure would have increased the market in Great Britain for some of our products. I know the answer is that the government wanted to give employment to people engaged in the textile industry, but I know that people in my part of the country are not buying simply because they have no purchasing power. Quite often I hear men say that they have not had a suit of clothes for the last five years. If the retail stores throughout the country were doing the business they would be doing if conditions were right, many of the men in the textile industry who might be laid off could be engaged in selling goods over the counter and be just as profitably employed.

Surely the time has come when we should do something more than just appoint a committee to investigate a few things. As I said, this committee will be sitting a few hours a day in an attempt to deal with this great problem. There is a need of some drastic measure when the people who produce raw materials are not able to buy them back after they are processed. I hope this government will soon realize that there are other people who should be considered besides the manufacturers. In tackling this problem we are tackling a problem too large to be handled in the way that this government is attempting to handle it. During the last two years when I have had this resolution in mind and when it has appeared upon the order paper I have received many letters from all across Canada. I think the people of Canada would be solidly behind the government if they would take hold of this problem in a big way but from what I have seen in some of the papers I am afraid that to a certain extent the people are of the same opinion as myself, namely, that the government is not going after it in a big enough way. I should like to quote part of a long editorial which appeared in the Times-Herald of Moose Jaw. This editorial deals with this very matter, and the concluding words are these:

> The problem that was shelved a year ago has suddenly become urgent for political reasons, and in order to forestall a demand on the part of the opposition for a far-reaching inquiry under the Research Council Act, the government prefers the longer and roundabout way of a parliamentary inquiry, which it can always hold well in hand, and which a "steering committee" of the protected manufacturers can guide along the lines desired.

I am not prepared to go quite as far as that editorial. I hope the government is in earnest, but there are others besides the Moose Jaw Times-Herald who do not believe that the government is in earnest in trying to solve this problem. This is the conclusion I have reached from the many letters I have received. One man said to me that this was a Liberal policy and he wondered how the government could go ahead with anything like that. He then quoted the words of the Prime Minister who said on one occasion: Converts always can be depended upon to make a failure of anything they undertake to do. My final word is this: Let us adopt the best method possible; if it is the intention of the government that this committee should deal with the mass buying problem, all well and good, but let us have some earnest endeavour to do something in connection with these price spreads.

Mr. SPEAKER: Will the hon. member kindly state who seconded his motion?

Mr. McKENZIE (Assiniboia): The hon. member for Lisgar (Mr. Brown).

Mr. J. L. BROWN (Lisgar): I really had not thought of saying anything in regard to this resolution, but while the hon. member for Assiniboia (Mr. McKenzie) was speaking a few thoughts came to my mind. I would point out to the house, as we have had occasion to point out many times before, that in the question of spread in prices as between the producer and the consumer there is no one who suffers more than the farmer, and I would discuss this question from the standpoint of the farmers, since I am a representative of farmers. No one suffers more than the farmer, for this reason, that he gets it both ways, whether it is on what he produces or on what he buys. If it is a question of wheat, then the price we receive for our wheat is based upon the world price, and that takes into account all costs that have to be paid between the time the commodity leaves the farmer's wagon and the time it gets to the consumer. The farmer pays all the freight,

all the commission charges, everything that has to be paid between the time it leaves his waggon and the time it reaches the consumer. And similarly with the things he buys; the price he has to pay for what he buys is the price the manufacturer gets plus the price that the distributors, however many they may be, have to be paid for their services, and the freight rates. The farmer has to pay for all that, and therefore the farmer more than any other class suffers by this spread in prices. To put it another way, the farmer sells everything at wholesale prices and buys back everything at retail prices.

A committee has now been set up to study the question of mass buying by the department and the chain stores, and so on, but here is something which that committee will be faced with when it comes to investigate this matter. If the committee tries to regulate this spread between what the producer gets and what the consumer pays it will find that it has a conflict on its hands, because the mass buying on the part of the department and chain stores is an attempt to lower this difference between what the producer gets and what the consumer pays. I do not see therefore how the committee will solve the problem with these two conflicting interests to be considered; at any rate it cannot solve both at the same time.

The ordinary consumer in the city suffers of course, but he does not suffer the double burden that the farmer has to bear. The consumer has to pay all the cost, and I think we may as well turn our attention to the fact that so much of this cost is taken up in distribution. There is the problem that confronts us. We have solved the question of production; we have not solved the question of economical distribution. I remember that at one of our United Farmer's meetings a good many years ago an old farmer from a small town in northern Manitoba gave this illustration. He said that in his town of Foxwarren there were one day four commercial travellers, one selling soap, another candies, another tobacco and, I think, the fourth one was selling matches—it does not matter what it was; maybe it was Eddy matches.

Mr. BENNETT: I hope so; they are good matches.

Mr. BROWN: Anyhow, there were four men, each drawing a big salary and piling up the expense accounts which commercial travellers are said to pile up, yet each one was only engaged in the trivial business of selling one or other of these little commodities. Can anyone doubt for a moment that that system must add tremendously to the cost of distributing goods?

I am not disposed to blame the manufacturer for all these things. I think something came out in discussion some years ago when we were speaking of some articles of hardware which the hon. member for Lincoln makes. He was reported to have said that for a particular kind of stable fork the manufacturer got about 80 cents. That may be right or wrong; I am only telling the story as it came to me. Well, we have to pay about $2.50 or $3 for the same fork. I am second to nobody in my antagonism to protective tariffs, but that particular situation is not brought about entirely by protective tariffs. I do not know what it costs to manufacture the common four-toed potato fork with the wide prongs; perhaps the hon. member for Lincoln could tell us. But I do know that two years ago I paid $2 for it. I imagine that between the price which the hon. member for Lincoln gets for such a fork and what I had to pay there is a wide spread. What the spread is I do not know, but I hope that the committee, of which the Minister of Trade and Commerce (Mr. Stevens) is to be chairman, will investigate that situation and see whether he will solve that problem by attacking mass buying in the department and chain stores, because these methods have been introduced to help to solve the problem of the spread between the price that the producer receives and the price the consumer pays. I think he will have to do a little bit of running with the hare and hunting with the hounds when he deals with this matter.

Undoubtedly there is a problem that confronts us, and I emphasize again the fact that the farmer gets it both ways, both on what he produces and on what he buys. I happen to know that a certain man sold twenty ducks, dressed—and ducks are not the easiest thing in the world to dress and clean—and the return to this producer was less than 20 cents apiece; the whole net return was $3.95. I presume the people in the city who consumed those ducks paid 10 or 12 cents a pound at least, and perhaps a good deal more. Illustrations might be multiplied indefinitely to show the very wide spread that exists. I think it was brought out in the milk inquiry that was held in Winnipeg that the man who drove the milk wagon distributing the milk received more than twice as much for his work as the farmer who produced the milk. While this question

of labour is an important one; while the question of unemployment is important and the remedy suggested of shorter hours and bigger pay to the man who is labouring in the city is one that undoubtedly must receive consideration, what I fail to see yet is how that solution of the problem can be made to fit in with the farmers' interests. If that can be done and if any person is able to show us just how it can be done, I shall be only too glad to listen to him.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I should like to say just a word or two, addressing my remarks more directly to the resolution before us than to the affairs of the committee that has been set up by the house. I feel myself precluded from discussing that if I desire to obey the rules, which I think are clear that we are not permitted to discuss in this chamber the activities of a committee.

The resolution that the hon. member for Assiniboia (Mr. McKenzie) proposes is that under the provisions of the Research Council Act, or by other means, an inquiry should be made into the causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products. May I suggest to the mover of the resolution—and to this degree I shall have to transgress what I know to be the rules—that the first action of the committee set up was to invite the bureau of statistics and the president of the national research council, together with the official in charge of the Combines Act, to make an immediate study of all the material, documents, data and so forth at present in the hands of government departments and to correlate all this information in preparation for treatment by the committee. In other words, the very thing he is now asking is actually under way at the present moment. As I say, it is quite contrary to the rules for me or any other hon. member to enter into a discussion, first, of the activities of a committee, and, second, of a debate that has already been closed by the action of this house, namely in passing a resolution and appointing a committee based upon it. Therefore I am precluded by the rules from carrying that further. I have, as I say, transgressed them to the extent of conveying that information to the hon. member.

I might perhaps invite the house for a moment to consider the Research Council Act. To speak now of that act which is specifically referred to in the resolution before us, the question is whether under that act this matter is properly covered. I merely mention that; I think the act has more to do with scientific and industrial research and standardization. One of the reasons why the research council was invited to join with the bureau of statistics in a study of this matter was the scientific knowledge possessed by the expert officials of the council and particularly the possible assistance that might be secured by further standardization. But I might say to the hon. member that in the bureau of statistics there are some highly skilled and competent officials, economists we would be well justified in terming them, who can give and are now giving close study to the very matters to which he refers. In the light of what I have said to the hon. member, I do not see that there would be anything gained by pressing this motion to a vote.

I am sure both my hon. friends who have spoken will excuse me if I do not follow them in a discussion of the matters to which they have referred, because, as I say, they are all matters which I think are more or less out of order under this particular resolution, having been dealt with in connection with the committee that has been set up. But I would be unfair to myself and other hon. gentlemen on this side of the house if I were not to say that we fully appreciate, just as keenly as do hon. members opposite, the tremendous importance of the welfare of the agriculturists of this country. Speaking for myself, I am profoundly impressed with that. I know full well what the prosperity of the agriculturists means to Canada and am just as keenly anxious as it is possible to be to do everything we can to find a solution for the problems with which they are confronted.

I should like, however, to say to my hon. friends that perhaps more progress may be made in the interests of the agriculturists and other producers of primary products if we could approach the question with some degree of unanimity of purpose. I assure them that I have no desire to make the fate of the agriculturists a question of political view, and if they will, I certainly will approach the question with one desire and that is to do the best we can to find a solution for these problems. I do not think there is any need for me to say more at the moment. In the light of the facts that I have indicated, I would suggest to the hon. member that the resolution might be allowed to drop or to be withdrawn.

Mr. SPEAKER: Is the hon. member prepared to withdraw the resolution?

Mr. McKENZIE (Assiniboia): In view of what the Minister of Trade and Commerce (Mr. Stevens) has said, I may say that the

main object I had in moving the resolution at this time was that I feel, as I said before, that the time will go along and this session will be over; that there will not be time to do very much and that somebody will have to carry on the work. That is why I thought the resolution should be presented.

There is just one other matter. I was in hopes that the minister would give us some explanation of the letter I read that he was supposed to have written, according to the newspaper I quoted, to a gentleman in Ottawa, in which letter it appeared that he had his mind already made up on certain points and I questioned the advisability of his sitting in judgment. Except for that I have nothing further to say.

Mr. STEVENS: I was not in the chamber when the hon. gentleman read the letter, but I presume, speaking to a point of privilege, if I may, Mr. Speaker, it is the same letter which one of my hon. friend's colleagues read to the committee the other day.

Mr. McKENZIE (Assiniboia): It was a letter published in a paper called the Parliamentary Critic.

Mr. STEVENS: I know the letter. One of his colleagues read it to the committee the other day. It is a very brief one written in reply to one of several thousand letters that I have received. Hon. gentlemen will appreciate that when one is flooded with letters of this kind, he cannot sit down and in every individual case carefully consider the nature of the answer. I am not blaming anyone; I will quite frankly take full responsibility for the letter. It went out as one of many many hundreds. The expression in it which I suppose could be taken as an indication of one's mind being made up was not so intended. I think this house has known me long enough to know that I will perform my duties on that committee as fairly and impartially as it is possible to do. Probably there are few of us who have not rather strong views on many matters. My hon. friend is sitting over there, and I am sitting here, because he has strong views on certain policies and I have opposite views, and I presume we hold these views honestly; at least I accord to him quite sincerely that credit. I do not think, therefore, there is any particular need for me to explain that letter, other than to say just what I have said. The house can rest assured that anything dealt with in that committee will be dealt with fairly. But I will say that as chairman of it, and having some sense of responsibility as a member of this house and of my duty to the country, it is my purpose to pursue certain things vigorously and earnestly; I shall pursue them to their ultimate end with the one object of bringing out impartially the whole truth in regard to these matters.

Mr. SPEAKER: Will the hon. member who moved the resolution withdraw it? With the unanimous consent of the house the resolution is withdrawn.

Motion withdrawn.

TRADE WITH UNITED STATES

PROPOSED RECIPROCAL ARRANGEMENT FOR EXCHANGE OF NATURAL PRODUCTS

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade agreement between Canada and the United States, whereby the natural products of Canada, that is, the products of the sea, the farm, the mines and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

He said: Mr. Speaker, in rising to support this resolution I would say that it is worded in exactly the same terms as one which I moved in this house last year. I think it will be agreed that on that occasion there was a fair and perhaps full discussion of this very important matter. At that time certain objections were made because I introduced the resolution in the manner in which I did and at the time I did. If I remember correctly objection was also made to the fact that I used the word "expedient," that in the opinion of this house it is expedient that the government of Canada reopen negotiations with the government of the United States. After the discussion I looked it up in the dictionary and found that after all is said and done the word "expedient" is not such a harsh or unsuitable one; it means "desirable." So I could just as well have used the word "desirable"; it would have meant the same thing.

Further in regard to the wording of the resolution, may I say that as long as the government and this house will accept the resolution I am willing to amend it as far as possible so as to meet the wishes of the government and the house; I am not committed to any particular form of resolution regarding this very important matter. I do say, however, as to my reason for reintroducing it at this session, that I am sincere in the

matter. I am not introducing it in any partisan spirit, but I feel, as I have felt for a great many years and did feel long before the reciprocity agreement was introduced in this house in the session of 1911, that it is in the interests of this country and the United States as well that these two countries, situated side by side, should do a greater volume of trade one with another on a reciprocal basis. Therefore I say that if it is necessary that the motion be amended in some slight degree I have no particular objection to that being done.

I said a moment ago that there were other objections raised last year. One was that when I introduced the motion it was premature. That might be, because at that time, as the Prime Minister (Mr. Bennett) pointed out, the government of the United States had only recently been changed, and the president-elect had not yet taken charge of the affairs of the government. Another reason given by the Prime Minister was that there was to be a world economic conference held in London, at which among other things the subject of tariffs was to be discussed. In his speech on that occasion the Prime Minister said:

> But there is another reason, and I put it to the house as being, I submit, a conclusive reason why at this time, after this discussion, which cannot be helpful, we should not adopt any resolution that would involve the possibility of being taken as an indication of a division of opinion. The hon. member for Winnipeg North Centre (Mr. Woodsworth) the other day directed attention to the fact that a draft annotated agenda for the monetary and economic conference had been issued. I indicated that while that is a draft agenda only, it is now published, and any person who so desired might avail himself of the opportunity to read it. Among the items on that agenda for consideration you will perhaps recall that after some difficulty this was added:
>
> 5. Tariff and treaty policy.
> A. Tariff policy:
> (1) Cessation of tariff increases.
> (2) Reduction of tariffs.
> (3) Special aspects of the tariff problem.
> (4) Method of procedure.

Now, sir, since the Prime Minister knew at that time what the agenda of the world economic conference was to be, I can understand his reason for asking me then that my resolution should stand. As will be remembered, I had no opportunity either to withdraw it or to ask that a vote be taken on it. However, that conference met, and although the United States was represented there no action was taken in regard to tariffs. I think in view of that fact, and view of the serious situation in certain parts of this country, that I am justified to-night in raising my voice in this house in order to try again to impress on this parliament and the government the necessity of arranging some reciprocal treaty with our great neighbour to the south.

I was pleased to-night when the hon. member for Mount Royal (Mr. White), speaking in regard to the flag, referred to a meeting in Saint John, New Brunswick, some fifty or sixty years ago at which meeting there were present James G. Blaine, a candidate for the presidency of the United States, and Hon. Alexander Mackenzie, who was then Prime Minister of Canada. The hon. member for Mount Royal told us that at that meeting, in their speeches, referring to the flag, they both said there was no reason why the two flags should not fly side by side. If the United States flag and the union jack can fly side by side, is there any reason why this great country and the great country to the south should not be able to trade with each another more freely than they do? Look at the map of the northern part of this continent; if it were not for the fact that the two parts are in different colours most of us would not know where the United Stated ends on the north and where Canada begins; we would not know that Canada's territory ends at the forty-ninth parallel and that the United States begins there. Since Canada is divided from the United States only by the forty-ninth parallel, an imaginary line, and the great lakes, is there any reason why New Brunswick should not trade with the state of Maine just as freely as New Brunswick trades with Nova Scotia? Is there any reason why New York state should not trade with the province of Quebec as easily as Quebec trades with Ontario? We might say the same of adjoining points along the border until we reach the Pacific coast and come to Point Roberts and the Fraser river dividing Canada from the United States. God and nature never intended that the United States and Canada should not have a fair and equitable arrangement whereby one could trade with the other.

There is no doubt in my mind that because of tariffs and restrictions existing between Canada and the United States, conditions in Canada are not as good as they might be. Since for the last fifty or sixty years we have had certain policies in Canada I can understand that it would be difficult immediately to do away entirely with those restrictions and barriers, yet I am fully convinced that the adoption of better trade relations between these two contiguous countries would be in the best interests of Canada and the Canadian people and the people of the United States.

Although the rules will not permit me to quote, may I say that in this chamber a speech was made only a few days ago in which this question was discussed. Answering some speeches which have been made by hon. members on this side of the house the Prime Minister stated that he would not sign a lopsided pact of reciprocity. May I say to him I am with him heart and soul in that statement. I do not want to see nor is there any need of any lopsided treaty. To my mind there is no reason why the peoples of the United States and Canada cannot get together and make a treaty or agreement which would be satisfactory to both countries. The argument was used that the reciprocal trade arrangement suggested in 1911 was not a treaty, but was only an agreement. I believe it was the Prime Minister who said that he would not agree to an agreement and that if anything was done it would have to be in the shape of a treaty. It is immaterial to me whether it is an agreement or a treaty because I am convinced that if an arrangement was made if only for a few months it would benefit a great many people in the Dominion of Canada.

Speaking on that point, let me say that I should like to give credit to this government for what it has done in connection with an arrangement for which I have argued, talked and fought for the last twenty years. I refer to the modus vivendi arrangement with the United States. For years I have tried to get that into effect. I urged the late government, the present one and the department to let United States vessels come into this country and do business so that they might buy bait and ice supplies, and land their fish in bond and send it to the United States. Last year, quite properly, this government decided that they would allow the United States vessels to do those very things I have mentioned. The government agreed to make that arrangement for a period of six months. If it was good business to make a modus vivendi arrangement for six months why would it not be just as good to have a reciprocity treaty for six months, a year, two years or as long as both contracting parties could agree?

My only objection to the modus vivendi is that in my opinion, so far as the maritime provinces are concerned—and they are most affected—from a business standpoint there is no reason why the government could not send word to-morrow to the government of the United States saying, "Come in as often as you like, stay as long as you like, and do as much business as you like with us." There is no reason why the government of Canada should not say to the government of the United States, "We will let you bring your fish into Nova Scotia ports; we will let you land those fish and buy ice and boxes from those who make ice and boxes, and we will let you hire labourers to pack the fish and use our trains to carry them to their destination." Surely there could be no objection to that. And if it is good business to do that for six months, there is no reason why we should quibble as to whether or not a reciprocal trade arrangement is an agreement or a treaty.

I notice in the speech from the throne the following expression:

> The temporary trade arrangements made with Germany and Austria have been further extended. Canadian products are now receiving most favoured tariff treatment in those countries in exchange for the grant of our intermediate tariff on their products.

Then if hon. members will turn to the estimates they will find that a vote of $200,000 is asked from this parliament to expand trade in European countries. Surely if it is good business to make an arrangement with Austria and Germany, if it is good business to vote $200,000 to extend our trade with those countries, is it not even more in the interests of the Canadian people to arrange to spend money, if necessary—and I do not think it would be necessary—to make an arrangement with the United States so that we may do business with the people on the other side of the boundary line?

If we could make an arrangement with the United States I can see no reason why our cattle should have to be shipped from Alberta to Quebec or Montreal and from those points overseas to the English market when, within three or four hundred miles of this country, we have a market. I cannot understand why other Canadian products should have to be sent long distances when we should be able to buy and sell in the United States market.

In discussing a resolution introduced to-day by the hon. member for Muskoka-Ontario (Mr. McGibbon), the statement was made that the United States had taken retaliatory action because of a certain agreement or treaty which was made a couple of years ago within the British Empire. I said two years ago, when the Ottawa conference was being discussed in this House of Commons and an arrangement had been made whereby if certain goods from the western prairies did not go entirely through Canadian channels they would have to pay a duty of six cents per bushel, that I was very much afraid the United States might adopt a similar measure under which they would retaliate against us for taking that action. I noticed the other

day there was an effort in the United States to have the president put a ten per cent duty on all goods going through Canadian channels destined to the United States.

Mr. BENNETT: May I correct the hon. gentleman? That referred to the item which was passed in the first budget of Mr. Robb by which a ten per cent further preference was given if the imports came through Canadian ports, and the United States had some years ago introduced a measure to meet that situation. It was introduced again by a senator from Maine and had nothing at all to do with the Ottawa conference.

Mr. DUFF: I beg my right hon. friend's pardon; this is a different matter. In this instance the shipping board and shipping interests of the United States appealed not long ago to President Roosevelt.

Mr. BENNETT: Arising out of Mr. Robb's first budget.

Mr. DUFF: They represented to the president that in view of the fact that Canadian goods could not go through American ports without being subject to this duty on the other side, the United States government should compel all goods coming through Canada in bond and bound for the United States to pay a ten per cent duty. Let me give one instance of the effect that would have if by any means the United States decided to do that. Take, for instance, the silk trade. Train loads of silk which have entered Vancouver from Japan travel mostly across Canadian territory on their way to New York. It would mean that we should lose all that business if our government did not take action to make a satisfactory trade arrangement with the United States. That is what might happen.

I hold in my hand an interview which was given by the United States Secretary of State, Mr. Cordell Hull, to the Montreal Star, and which appeared in its issue of the seventeenth instant. The interview says:

> Then the secretary launched into a general discussion of world trade in which he declared emphatically that any special agreements between nations or groups of nations, large or small, cause the total volume of world trade to drop, however much they may increase business between the particular countries concerned.

It continues:

> In one part of the discussion, Secretary Hull as much as admitted that this nationalistic trend is a movement in the wrong direction when he said that the people of the United States are turning towards greater foreign trade as a way out of the depression, adding that "they have tried everything else and it has failed."

There is no question, sir, that in the last number of years, and I think this is perhaps one of the reasons why we in this country have not been able to make a reciprocal trade arrangement with the United States, the government of that country under President Hoover and President Coolidge were in favour of very high tariffs for their own country and so stated. They felt that their resources were so great in the United States that they did not have to bother with any other country, and that they could live within themselves. I shall never forget listening to President Hoover's addresses over the radio during the 1928 election when he promised the farmers higher protection, and the fishermen higher protection, and the lumbermen and the manufacturers and everyone else. But Mr. Hoover woke up to find that his policy was wrong, and I believe in my soul that the United States to-day realizes that the policy of high protection will not get them anywhere and that they are willing, as Mr. Cordell Hull says in this interview, to make a fair trade arrangement with any other country in the world. He says further:

> The world has been twelve years getting into its present difficulties, and it must be several more years getting out. At present we cannot find any considerable number of statesmen in the world who admit and are ready to meet the actualities.
>
> They don't realize that any special agreements for preference rights between any particular countries, no matter how much they increase trade between those nations, decrease the total of world trade. But our own people are growing to recognize this. They have tried everything else and it has failed.

That is my own humble opinion, Mr. Speaker. We should not have these restrictions upon trade and tariffs especially against a great country like the United States where if we had a reciprocal arrangement we would have most to gain by dealing with them. I also feel that their market is so great that they can take everything that we want to sell to them on a fair basis, and consequently I say that this government and this parliament should do everything possible to make a satisfactory trade arrangement with that great country.

The other day when another subject was under discussion in this house, it was mentioned that due to certain conditions in this country there were certain agricultural products higher in price in Canada than in the United States to-day. Of course, that may happen in any country, but why has it happened in Canada? In my opinion the reason there are a few articles higher in price in Canada to-day than in the United States is

just because of the high tariffs between the two countries. In other words, because of the high tariffs and restrictions on trade the people of this country have not raised as much of these goods as they otherwise would have done, and consequently the price has gone up, but just as soon as the people of this country produce more butter or raise more hogs the price must come down because we have a very limited market.

Let me go a step further. I was very much interested in reading the addresses made by the managers and presidents of Canadian banks at their annual meetings at the end of the fiscal year. Let us see what they say.

Mr. Jackson Dodds, the general manager of the Bank of Montreal, made this statement in his annual address:

> Natural correctives are working toward world recovery but many artificial barriers still impede progress. Economic and financial disruption have been brought about to no small extent by the operations of central banks under political influence, by excessive tariffs and quotas, by exaggerated nationalism bordering on ancient tribalism, the stoppage of free immigration of peoples, distrust and selfishness, by impatience, a loss of individualism on the part of citizens and their surrender of independence in many former democratic countries.

What does Mr. McLeod, the president of the Bank of Nova Scotia, say?

> But to quite a considerable extent it is also due to the restrictions on trade which have been imposed artificially, by means of high tariffs and exchange regulations.

He does not blame Canada alone. He says:

> The nations have been vying with one another in a disastrous competition to safeguard their own markets; and measures which, had they been undertaken only by one or two countries individually, might have been defensible, when imposed by dozens of countries simultaneously with the same nationalistic objects in view, have inevitably been productive of suicidal consequences for all.
>
> No phenomenon connected with the present depression is of more sinister significance than this. No measure is more pressingly needed at the present time than a sweeping reciprocal reduction in the tariffs of all the principal trading countries, which will release the now thwarted productive energies of their citizens, and permit of an expansion of their commerce. In this matter the world is awaiting for bold leadership.

Those are the words of the president of the Bank of Nova Scotia, a man born in Prince Edward Island and one who enjoys the respect of practically all the business people of this country.

Let me quote what Mr. Moore, the retiring president of the Bank of Nova Scotia, says:

> In respect of such international cooperation for the revival of the sorely stricken trade of the world, subsequent events have merely served to reemphasize the failure of the world conference. At the time when this conference assembled last June a "tariff truce" was in force. Since then a number of countries have resumed their freedom of action—freedom to narrow still further the trading oportunities of their neighbours.
>
> In the meantime such bargaining as there has been between individual countries seems to have resulted in an even more rigid imposition of the quota system than before. Not by such means will world-wide recovery be brought about.

When we see men of such standing and prominence in business in this country making statements of that kind, it seems to me that legislatures and parliament should sit up and take notice.

I have already referred to the statement made in this house the other evening that perhaps it was not good business at the present time to make a reciprocal trade arrangement with our great neighbour to the south because hogs and a few other commodities are higher in price in Canada than they are in the United States. In addition to that, an hon. member last year referred to the fact that certain interests in this country would not be favourable to a reciprocal arrangement with the United States; he said he did not think it would be a good thing for the fishermen of this country if we had free or freer trade with the United States. He also said that it was quite possible if the tariffs on fish were taken off both in Canada and in the United States, the people of the United States would send their fish to this country. There is no need to worry about that for one moment. I admit that there are certain selfish interests in the fish business who do not want to see the duty taken off this commodity coming in from Boston or Portland, but these people are the very ones whom my hon. friend from Assiniboia (Mr. McKenzie) is anxious to have investigated and in connection with whom the Minister of Trade and Commerce (Mr. Stevens) and the government have set up a committee. I have been an importer and exporter of fish all my life, and I say that the fishermen of this country are strongly in favour of a reciprocal trade agreement with the United States. We have nothing to fear.

I remember when the late Mr. Fielding brought down his reciprocal trade arrangement in 1911. At that time I was telephoned from Halifax and asked if I would come and discuss this matter with the fish people there. I was green in the business at that time, or they must have thought that I was green. However, I went there and we met solemnly in the board of trade rooms. I thought I was attending a funeral. After a time they asked

me what I thought about Mr. Fielding's treaty with the United States. I said that I would rather hear what the other gentlemen had to say as I felt they had had more experience. They said it would be a terrible thing if it went through, that they would have to get out of the fish business as the Yankees would come in with more money. I told them that as far as I was concerned I was ready to go out of the fish business and do something else if the Yankees could pay more for fish. I say to-day that if there are people in the fish business who cannot hold their own against those from Gloucester, Boston or Portland, then they had better go and do something else. I am for the producer and consumer every day in the week.

But such an argument is a foolish one, and let me tell the house why. There is no comparison between the prices paid for fish in this country and those paid in Boston, New York or Portland. I am not in the fresh fish business myself but I should like to quote some Boston and Halifax prices on this commodity. I think these figures will show that no one is going to be hurt by taking the duty of a cent per pound off fish coming in from Portland. Some of the prices quoted in Boston on January 23 are as follows:

	Cents per pound
Large cod	12 to 14½
Markets	7½ to 8½
Haddock	12 to 14

I need not go any further. The prices quoted on February 16 were 7½ to 8½ cents per pound for large cod and 8 to 9 cents per pound for haddock. The fishermen on the Atlantic coast had one of their hardest winters this year. Some men have been lost and vessels have been coming in with ice almost up to their foremast heads. All they can get for their fish in Halifax and elsewhere is 2½ cents per pound for haddock. The fish buyers in the maritime provinces who can buy fish at 2½ cents per pound to compete with the Boston men who have to pay 8 and 9 cents a pound should have no fears as to Boston interfering with their markets in Montreal and Toronto.

It may be that when this investigation takes place we shall find out where this great spread occurs. As far as the fish business is concerned it is time something was done. The Minister of Finance (Mr. Rhodes) knows without my telling him that during the last two years conditions in Nova Scotia have not been at all desirable. Last year salt mackerel was selling at $2 per barrel. Some of this fish was shipped to Puerto Rico and sold for $6. There was a spread of $4 per barrel but the shippers lost 53 cents per barrel. Why? Because on every barrel of fish going into Puerto Rico, into Cuba or into New York, there is a duty of $2 per barrel. The fishermen in Richmond, Lunenburg and Halifax counties receive only $2 per barrel for this fish. If this duty were removed it would be possible for the shippers to pay the fishermen $1 per barrel more and yet be able to make a profit of 50 to 75 cents per barrel. Surely there is no one in this house or anywhere else who is going to say that something should not be done for these fishermen.

I think my remarks apply equally well to the fishermen in Prince Edward Island and on the Pacific coast. I am told that last year during a short season from February to August some 46,000,000 pounds of haddock were landed at Prince Rupert. Practically all that fish went to United States markets, to places like Chicago, St. Paul, New York and other great centres. In spite of this large catch, the fishermen fishing out of Prince Rupert lost almost a million dollars. This loss was occasioned by the duty on fresh fish going into the United States. Some may say that the fishermen did not lose this, that it was lost by the people in Chicago or New York who had bought this fish, but such is not the case. This fish must enter into competition with fresh fish caught in the United States which has the advantage of the duty. It is the fishermen who lose every time. I am not going to quote figures, as I gave some last year, but if hon. members desire to look up the statistics they will find what duties are applied against the products of the fishermen of the maritime provinces, the Pacific coast, the great lakes and even those in Manitoba. Most of this fish is shipped to the great markets of the United States and it all must pay duty. If an arrangement could be made whereby certain goods from the United States were permitted to enter this country free of duty while the fish from lake Winnipeg, the great lakes and the Atlantic and the Pacific could enter that country free of duty, the fishermen of Canada would be in a much better position than they are to-day. In my opinion, this government should do everything possible to see that this is done.

I was interested the other day when listening to the speech of the hon. member for Regina (Mr. Turnbull). He and other hon. members have been discussing the seriousness of the wheat situation. Last year the hon. member for Regina was not very favourably inclined to my resolution with regard to reciprocity, but I notice he suggested that

in order to sell more wheat the 130,000,000 people in the United States might be induced to eat one more slice of bread. His contention was that if that were done they would have to buy Canadian wheat. I am glad to know that my hon. friend has been converted and is beginning to believe in reciprocal trade resolutions. If those people would each eat one more smelt or one more tail of the cod, we would soon be clear of all our cod and other fish. There is no question but that that great market of 130,000,000 people could take our fish, our wheat and other commodities while we could take certain things from them under a reciprocal arrangement. I say it is the duty of this country to see that this is done.

While I do not deprecate what was done, I notice that when the British Empire trade agreements were entered into it was thought, and perhaps it is true, that the people in Nova Scotia, Ontario and British Columbia who raise potatoes and fruit would benefit thereby. At that time they thought it was all right and they did not want any reciprocal trade arrangement with the United States. But I notice that to-day in Nova Scotia there is a feeling that the government should try to make an arrangement with Cuba whereby potatoes and so on would be permitted to enter that country free of duty instead of having to pay $2 per barrel. If we are going to place a high duty against sugar entering this country from Cuba, if the British Empire trade agreements prevent the people of Cuba from selling their sugar or other commodities in Great Britain without paying a high duty, how can we in Canada expect the people in Cuba to buy our goods?

With regard to the question of high tariffs and the restriction of trade, while I do not ask for free trade, I want to say here and now that I am a free trader. I do not suppose that I shall live long enough to see the day, but I hope nevertheless that the day will come when there will be free trade between this country and the United States. I cannot understand why for example, with this country lying side by side with the United States, the potato grower in New Brunswick should be receiving 75 cents a bushel for his potatoes, while only half a mile away the farmer in the state of Maine gets $1.50. Is that fair? Is it right? Is there any good reason for it? Again, is there any reason why the maple sugar producer in the province of Quebec should receive 6 cents per pound less for his commodity than is enjoyed by the man in the state of Vermont, the two farms lying practically side by side with a picket fence between them? The people of these two great countries should enter into an arrangement in this matter. Indeed, there should not be two countries on this continent. It is owing to the foolishness of politicians in Great Britain in the reign of George III that we have two countries on the North American continent—politicians who wanted to tax the people of the colonies without representation, with the result that those colonies seceded from the motherland. I agree that there should be only one flag on this continent, the union jack, for both the United States and Canada, and it is only because of the stupidity of English politicians in a bygone day that we have two separate countries. Be that as it may, as Mr. Blaine and Mr. Mackenzie said at St. John, there is no reason why the two flags should not be side by side, nor is there any good reason why these two great countries should have high tariffs, one against the other.

I do not think I need say any more. My views are well known in regard to this important subject. I said I would not ask for entire free trade, because in the last sixty years this country has had a protective tariff, in some cases high and in others not so high, and I realize that it would be impossible to tear down the tariff walls immediately. But I do say that there is no good reason why the tariff should not be lowered in view of what Mr. Cordell Hull said, throwing out the suggestion to this country for a lower tariff and a reciprocal trade arrangement.

Current propaganda as purveyed through the news channels and otherwise seems to suggest that there is a crying need of greater freedom of trade, while a great bugaboo known as economic nationalism stands in the way of its fruition. Personally I do not know exactly what this nationalism is. If there is a desire on the part of the world's people that their comfort and happiness should be the chief concern of their various governments, and at the same time it is generally admitted that freedom of trade would enure to the common good of all, then there is a contradictory confusion which sooner or later must give way to the truth. No country can ever get away from its domestic problems and proper concern for the welfare of its inhabitants. And no people would consent to the fallacy that they should be compelled by tariffs to do business with none but themselves. The interdependence of the world is too transparent, as is the truth of Carlyle's saying, in effect, that there can be no catastrophe among the natives of Borneo without its repercussion among the marts of

Europe. As civilization and knowledge advance and we come to know each other better throughout the globe, the advantages of trade are followed by the intermingling of general friendliness and a more common desire for each other's welfare in every respect.

That this philosophy should be accepted as applied to faraway and scarcely known peoples and the truth of it debated as applied to a great nation alongside whom we have grown smacks of prejudice gone mad. Well may Lord Snowden, in his reference to the tariff laws of this country directed against the United States, have used the term "suicide." Such a policy directed against our neighbours is an unnatural revolt against what is best in ourselves. Greater understanding and eventual cooperation for good must eventually come throughout the world. What of a people in this age, who insisted on a policy leading away from this conception by erecting bars against its fruition in seeking to demoralize traffic with their neighbours, a traffic which, by the way, had come to be the greatest in its exchange!

In the motion I have had the honour to propose, my mind has naturally not been impervious to considerations such as these. For the most part, however, I have been actuated by the persuasions of mere common sense as they appeal to the consciousness of a blunt business man. Throughout the course of my commercial contacts extending over a good many years, I have seen the advantages of good commercial understanding with the United States, and I believe that still greater good will come the less artificial interference there is with its progress.

That any essay toward the right, no matter if it springs from a humble member of this assembly, may be able to accomplish something towards this end, is evident I think in what has already passed into the records since the matter was introduced. When I approached this subject, as I have it in mind, there was no promising pathway prepared for such an endeavour. In the press of the country reciprocity was scarcely mentioned or in the main dismissed as an issue long since dead and buried. Nobody seemed to be inclined to have anything serious to do with it. The sunlight, however, cannot be interred, and the truth cannot forever be disregarded.

Right Hon. R. B. BENNETT (Prime Minister): I am led to conclude, after listening to the hon. gentleman (Mr. Duff), who for nine years sat on this side of the house and found tariffs at the end of those nine years raised by the United States much higher than they were when he first came here, that after all there is a great difference between the hon. gentleman's advocacy to-night and what it was some time ago. He might be good enough to explain how, after his distinguished leader had laboured so sedulously to bring about an agreement with the United States, at the end of nine years the tariff that was then high had been raised twice as high as it was when he came into power, and that notwithstanding the fact that the League of Nations reported, as was admitted in this house, that this is one country on the globe that twice reduced its tariffs.

Mr. DUFF: Because there was a high tariff government in the United States during those nine years.

Mr. BENNETT: And there has been no change in the tariff since. On the first day of May last it was my privilege in this house to read a communication that had been agreed to between the President of the United States and myself. The last paragraph of that communication reads:

> We have also discussed the problems peculiar to the United States and Canada. We have agreed to begin a search for means to increase the exchange of commodities between our two countries, and thereby promote not only economic betterment on the North American continent, but also the general improvement of world conditions.

In July the world economic conference met, and on the last day, namely, the fourteenth of July, the Hon. Mr. Cordell Hull, Secretary of State of the United States, who was the ranking head of the delegation from that country at the conference, laid upon the table the following communication:

> Although the chief portion of its work is uncompleted, the conference is about to enter upon a recess. During and following this recess, it is hoped that the interested governments will bring forward, through diplomatic or other channels, substantial proposals aimed to carry out ultimately the fundamental purpose for which the conference was called. I herewith forward a document which I hope will, along with others of a similar character that may come from other sources, receive the attention of those who have the duty of planning the continuation of the work of the conference.
>
> This document contains the outline of a possible agreement for a protracted truce against measures restrictive of international trade. I contemplate that this truce agreement might be carried into effect when and as the conference truce—which, I understand, remains in effect among the adhering states during the recess—may end. This further truce may carry through the longer period required for the carrying out of the general aim of reducing existing barriers. The terms suggested are more precise than those of the conference truce. Other governments may quite

possibly feel that their national necessities would require them to add various points even to the substantial list of reservations and exceptions proposed. A continuing truce should serve to restrict new barriers to such instances of evident and unusual necessity as may arise, even while general governmental policy was aimed in the other direction.

It will be seen that in this document the American government indicates the precise test of necessity which it expects to observe before introducing any new restrictions that may seem imperative for the success of the domestic program of recovery upon which it is engaged. American policy will in general seek to further international commerce to the fullest possible extent compatible with the essential aims of this program.

The document advocates, furthermore, the immediate undertaking of reductions of the existing barriers by the encouragement of bilateral and of practical multilateral agreements. It does not attempt to put into legal form of agreement the terms of possible action; the difficulties of this require further discussion among governments.

But it does attempt to limit with some degree of precision the exceptions and reservations which may be necessary.

It also sets forth the present American attitude towards other matters involved in commercial treaty negotiations, such as the most favoured nation principle and the possible special exceptions from that principle that might be allowed by governments to facilitate agreements for the lowering of trade barriers

I trust that these proposals will turn out to be a useful contribution to the long term plan of attack upon existing trade obstacles. Despite their limitations and imperfections, I am confident that their acceptance in substance would mark an important advance towards the restoration of international commerce.

The American government reserves the liberty in the course of any future discussion that may take place of modifying its attitude on details. Other governments will no doubt find that their approach to this question, as dictated by their own national situations, is somewhat different and may have modifications and additions to present. However, it is my hope that the governments will be able to adjust their national interests and necessities and devise means for achieving the general purpose upon which we have all agreed.

The sub-appendix which is to be found on page 52 of the printed document which I laid on the table the other day, contains the following:

American suggestion for the further development, during the recess and later stages of the conference, of a program on commercial policy.

Section 1. Are resolved, as a first step in carrying out this program, to endeavour to reach agreement, at the earliest moment favourable to such action, along the following lines.

Then follows a statement of what is to be agreed upon:

The participating governments agree not to introduce any new obstacles, direct or indirect, to the movements of international commerce, whether such obstacles are embodied in new

[Mr. Bennett.]

legislation or brought into existence by the exercise of administrative or executive power under existing legislation. The truce against new barriers is to become effective as between the countries participating in it but will not, subject to treaty obligations, bind participating governments towards those governments which do not participate.

Then follow exceptions (a), (b), (c), (d), (e) and (f), to which the preceding agreement shall be subject. Section 2, however, provides:

Are further resolved forthwith to initiate bilateral or (plurilateral) negotiations for the removal of prohibitions and restrictions and for reduction of tariff rates; and they declare that their aim in these treaties is substantial reduction of basic trade barriers, and not merely the removal of temporary and abnormal restrictions and increments imposed for bargaining purposes.

In shaping its policy and in executing its obligations under any agreements, each government should direct its first and greatest efforts towards eliminating restrictions and reducing duties which most clearly lack economic justification, particularly:

(a) Duties or restrictions which now completely or almost completely exclude foreign competition, such as those which restrict importation of particular commodities to less than five per cent of the domestic consumption thereof;

(b) Duties or restrictions on articles the imports of which have been substantially curtailed since 1929 as compared with domestic consumption;

(c) Protective duties or restrictions which have been in effect a considerable period of time without bringing about a substantial domestic production of the protected commodities (say equal to 15 per cent of the total domestic consumption thereof).

Without following that in detail, as my time is limited, I desire to point out that in the language which was used in this house in the document which was communicated to the United States after my visit to Washington, we did not use idle phrases. In the nine months which have elapsed since that statement was made, informal conversations with Washington have been continued and several methods of improving trade relations between Canada and the United States have been carefully examined. I need hardly refer to what took place when the prohibition amendment of the United States was eliminated by popular action. One difficulty has been that President Roosevelt did not secure from congress at the special session which ended last June, new tariff bargaining machinery to facilitate the negotiation of trade agreements with foreign countries. At the time of my visit the early enactment of this legislation was expected. There are indications that legislation looking to the creation of that machinery will be sought at the present session

of congress and, if it is enacted, I hope negotiations for a trade agreement with Canada will be undertaken forthwith. Alternative means of improving trade under the existing procedure have also been under consideration. This government is ready to accept any reasonable opportunity which may offer of trade on an equitable basis.

Further, it is a matter of common knowledge that the progress of President Roosevelt's domestic policies for the development of industry and agriculture have caused him to postpone the working out of his plan for the stimulation of international trade by trade agreements. Therefore, having regard to present conditions, having regard to what has taken place during the past nine months, having regard to the action now pending in the congress of the United States and having regard to what took place at the world economic conference and the attitude of the United States as dictated by the Secretary of State of that country, I move, seconded by the Minister Finance (Mr. Rhodes):

That all the words after the word "that" in the said resolution be struck out and the following substituted therefor:—

"on the 1st day of May, 1933, the Prime Minister informed this house that the governments of Canada and the United States of America had agreed to begin a search for means to increase the exchange of commodities between the two countries and thereby promote not only economic betterment on the North American continent but also the general improvement of world conditions, and while no trade agreement between the two countries has yet been arrived at, this house approves of the government continuing their efforts to that end."

That amendment embodies a record of the situation since my visit to Washington in 1933 and carries transactions down to the present moment, including the discussion, which I have not amplified to-night because of lack of time, of what took place at the world economic conference. I suggest to hon. members that it might be well to read the conditions which Mr. Secretary Hull indicated should be laid down in the making of any trade agreement. I can only add that any trade agreement that is arrived at between the United States and Canada must be based upon a fair and equitable understanding of conditions in one country by the other, and might I remind the hon. gentleman who has moved this resolution (Mr. Duff) that this is the parliament of Canada and not the congress of the United States of America.

Mr. DUFF: I do not think that is fair.

Mr. BENNETT: Judging from what he has said and the way in which he has said it, one would think he was merely indicating to this chamber that this parliament for some reasons unknown had prevented the United States from buying its requirements from Canada. In view of what took place under my predecessor and his efforts to negotiate a lower tariff trade agreement with the United States and of what has taken place since this government came into power, I can only once more remind this chamber that this is the parliament of Canada and not the congress of the United States; that the congress of the United States has to do with its tariffs and its duties, and the parliament of Canada, although the hon. gentleman has spoken as he has with respect to the causes that brought about the creation of two countries, has not yet the authority or power to legislate on tariff matters for the United States of America.

It is now eleven o'clock.

Mr. MACKENZIE KING: May I ask the Prime Minister what the document is he quoted from a moment ago?

Mr. BENNETT: The document which I laid on the table the other day, the report approved by the conference on July 27, 1933, reading at page 51, Mr. Cordell Hull's letter, and pages 52 and 53, the subappendix indicating what in his judgment should be the principles governing in matters of this kind.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, February 20, 1934

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 15, to incorporate the Small Loan Company of Canada.—Mr. Geary.

HAVRE ST. PIERRE ICE CONDITIONS

On the orders of the day:

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, I wish to put a question to the Minister of Marine (Mr. Duranleau). I received to-day a telegram from Mr. Héliodore Boudreault, mayor of Havre St. Pierre, on the north shore of the St. Lawrence informing me that the vessel which carries on the service in that locality has not been able to land these last days and, that the population is short of food. Could the hon. minister dispatch an icebreaker to that locality in order to relieve the situa-

tion of these people? I am aware that this was done within the last years, under similar circumstances.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, this is the first time that I have heard of the facts as stated by my hon. friend. We have, in the past, always endeavoured to give the best service possible to the people settled along the north shore, when they were in distress and, I shall look into this matter, no later than this afternoon.

INQUIRY FOR RETURN

On the orders of the day:

Mr. LUCIEN DUBOIS (Translation): Mr. Speaker, I wish to put a question to the hon. Minister of Marine (Mr. Duranleau). On February 5, last, I asked for returns of documents correspondence and telegrams in connection with the breaking up of the ice bridge between St. Angile de Laval and Three Rivers. Documents were furnished to me; but, at page 19 of the report, it appears that the hon. Minister of Marine, received requests from the authorities of the city of Three Rivers, through their member, requesting the help of ice breakers to facilitate the service between St. Angile and Three Rivers. This document, however, is not included in the returns. Would the hon. minister lay on the table said document?

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, I laid on the table of the house all the documents supplied by the department. I can make inquiries, and if there exists further correspondence, I shall be pleased to either lay it on the table or communicate it to my hon. friend.

PETITIONS

On the orders of the day:

Mr. CHARLES FERLAND (Joliette) (Translation): Mr. Speaker, I beg to lay on the table of the house petitions addressed to hon. members of the government and the house, on behalf of many ratepayers from the county of Joliette, protesting against the proposal emanating from certain interested people, requesting that an excise tax be levied on leaf tobacco. These petitions come from the following parishes, and are signed by 290 people in St. Thomas; 457 in St. Paul; 255 in St. Ambroise de Kildare; 55 in Ste Marcelline; 30 in Ste Mélanie; 57 in Crabtree mills; 106 in Notre Dame de Lourdes. From St. Cléophas, I have received resolutions only. I also wish to state that beside these petitions, I am forwarding to the government a large number of resolutions from the county of Joliette and other counties in Quebec, which were adopted by municipal councils, protesting against such a tax.

PRECIOUS METALS MARKING ACT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved the third reading of Bill No. 2, to amend the Precious Metals Marking Act, 1928.

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

INTOXICATING LIQUORS ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the third reading of Bill No. 3, to amend the Importation of Intoxicating Liquors Act.

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

MEAT AND CANNED FOODS ACT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved the second reading of Bill No. 6 to amend the Meat and Canned Foods Act.

Mr. MACKENZIE KING: Mr. Speaker, I do not wish so much to participate in the proceedings as to ask the Prime Minister (Mr. Bennett) if it was his intention to go on today with bills. I understood last evening that it was his intention to go into supply. I imagine that some hon. members who may wish to discuss certain bills may not even be prepared to do so.

Mr. BENNETT: These were regarded as purely formal matters, third readings.

Mr. MACKENZIE KING: This is a second reading.

Mr. BENNETT: That is true, but it is only a formal amendment to the act as the minister explained when the bill was introduced. If there are any members who desire to participate in a discussion of this matter we will proceed with order number 3 and allow the bills to stand.

Mr. MACKENZIE KING: I have no objection to going on. I was just speaking on behalf of others.

Mr. BENNETT: I did not intend to leave the impression that the formal business would be left on the order paper but if there is any feeling that we should proceed with supply, we can do so and allow matters to stand as they are.

Motion stands.

SUPPLY—B.C. SALMON FISHERY

STATEMENT OF MR. REID ON MOTION FOR SUPPLY RESPECTING PURSE SEINE FISHING

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. THOMAS REID (New Westminster): Mr. Speaker, before you leave the chair there is a matter I should like to lay before the house. This matter affects over two thousand men engaged in the fishing industry on the Fraser river. For the information of the house I might say that on February 10, 1933, an order in council was passed by the present government at a time when the house was in session. This order in council permitted seine boats to operate in the mouth of the Fraser river. I protested against this order in council as did the hon. member for Comox-Alberni (Mr. Neill), but in spite of our protests it was put into effect in the fall of 1933. I rise to-day to air the grievances of over two thousand fishermen on the Fraser river who are affected by this order in council. The order in council changed the boundaries which had hitherto precluded seine boats from operating in the mouth of the Fraser river and permitted them to go in and fish in that area. I also wrote to the minister last fall in connection with this matter and perhaps if I read my letter it would explain the whole situation very fully. This letter was dated September 23, 1933, and reads:

The Hon. Alfred Duranleau,
Acting Minister of Fisheries,
Ottawa, Ont.

Dear Mr. Duranleau:

I am writing you in connection with the matter of allowing seine boats to operate at the mouth of the Fraser river, which action, done by order in council, you will remember, was opposed by me at the time on the floor of the house.

The chief argument advanced by you and also by the deputy minister of fisheries was that it was desirable to use seines in order that only the best salmon be procured for canning purposes, so as to enable the canners to put up the best grade possible in order to enable them to compete with other countries on world markets, particularly the market in Great Britain.

As you will know, I was particularly interested in the effect of this drastic regulation, and what the effect would be on the individual gill net fishermen. I have made further investigations into this, and believe it might be of interest for you to know what has actually happened by allowing seine boats to operate right outside the mouth of the Fraser river.

I understand over 60 seine boats have been operating in the new area, and to the positive detriment of individual gill net fishermen. In fact, if seine boats are going to be allowed to operate permanently, then thousands of men are going to be thrown out of employment and the government might as well face this serious responsibility right now.

In other years, and before the seiners were permitted there, the daily catch of individual fishermen ran all the way from 100 to 800 pinks, or humpbacks per day's operations. This year the seiners have scooped them up by the thousands with this result, the catch of the gill netters has dropped from 800 to next to nothing. Some seine boats scooped up eight or nine thousand pinks in one day's operations, whilst fishermen from the mouth of the river up, were only catching from 20 to 60, and in some instances only 10, and when you consider the low price offered, namely 3 cents for male, and 1 to 2 cents for each female humpback, you will realize just how serious the outlook is for the fishermen depending on this for a livelihood on the river.

I informed the house during the time of the debate that gill netters could operate in the area where seiners are now allowed to fish. In support of this, I will quote you one day's operations in the gulf of Georgia.

On the 19th of September, 80 gill netters landed 1,985 pink salmon, an average of 24 fish each, whilst 7 seine boats operating there landed between 7,000 and 8,000 pinks, an average of over 1,000 each seine boat. Both gill netters and seiners were paid the same price, the fish caught being of equal quality, so that you will have to advance some other argument other than that of better fish coming from the seine boats.

It may be that seine boats operating far out in the gulf, and in clear sea water, catch pinks that have a somewhat better colour, but I would again draw your attention to the fact, that the area where seine boats have been operating at the entrance to the Fraser river, the waters there being brackish and muddy with silt. You must go a considerable distance out before the line of demarcation commences, and the point where the clear sea waters meet the fresh muddy waters of the Fraser river is plain to be seen by the naked eye, but let me again repeat, the new area allotted to seining is all brackish waters.

To sum up, hundreds of fishermen are being deprived of their legitimate livelihood and many will be forced on relief. I maintain this is a terrible state of affairs, and very bewildering indeed. Here is the government endeavouring on the one hand to give employment to the unemployed and the destitute, whilst on the other hand we have a department of the government helping to create by its own actions, more unemployment.

I again appeal to you to rescind the order in council for if it is not done, and further seining is allowed to continue, all individual gill net fishermen will be thrown out of employment, and in closing, I ask you to note carefully that according to the new regulations laid down, whilst the seiners are allowed to catch this year pinks of humpbacks, next year it will be the sockeye salmon.

I remain,

Yours respectfully,

I received an answer dated September 29, which reads as follows:

I am much obliged for your letter of the 23rd instant, with regard to purse-seining

operations in the lower portion of the gulf of Georgia, which were permitted this year for pink salmon.

The operations in this area have been carefully followed. The outcome was not far different from what was anticipated.

You urge that the quality of fish taken by the seiners was no better than that of the fish caught by the gill-netters, so that the regulation is not resulting in a better quality product, but, if persisted in, will have the effect of throwing thousands of men out of employment.

My information is that there were times when sets were by some of the seiners in the shallow water over the mud flats when the tide was high and that the fish caught in these nets were no better than those taken by the gill-netters, but that these catches totalled a very small portion of the fish caught. The one fact that for most of the fish taken by the seiners prices as high as seven, eight and nine cents were paid, while the catches of the gill-netters brought only four cents at the same time, and some as low as three, speaks for itself. While final figures are not before me, the information available indicates that between 75,000 and 100,000 cases of good pinks will have been put up this year in the Fraser river district, as a result of this regulation. Two years ago, when the last big run was on, and when there was no seining allowed, nor was the inspection of canned salmon in operation, only 21,534 cases of these fish were put up in the Fraser area. While the fish were passing through United States waters 705,580 cases were put up. This year the pack on the United States side was approximately 465,000 cases.

You are surely overlooking some facts regarding employment when you say that if this regulation operates permanently thousands of men are going to be thrown out of employment. As a matter of fact, up to the end of October of last year there were 760 white gill-net fishermen on the Fraser. These had twenty-four assistants, making 784 in all. I have not yet the figures for this year, but they would not likely be very different. Also, the pink fishery is by no means the main factor in the Fraser river gill-net fishermen's operations. On the other hand, the employment given the seiners must not be entirely overlooked. On the sixty boats that operated in the district this year there would likely be an average of eight men each and these would all be whites.

As you will know, the time the pinks remain in the area south of the Fraser, after they have reached it, before they make for the Fraser depends on weather conditions. This year my information is that the runs did not start until the 13th instant and shortly afterwards the pinks began to ascend the Fraser in large numbers, then reasonable catches could be made by the gill-netters. The regulation in no way prevented earlier fishing by the gill-netters, the fact being the fish were not in their area at that time. The inevitable happened when the fish struck the fresh water. Their quality rapidly deteriorated so that they no longer would make a good quality pack and it obviously is in the best permanent interests of the salmon fishery of British Columbia as a whole, and consequently of the fishermen engaging in it, that the quality of our pack should be assured.

While the seining operations were very carefully patrolled this year, it may be that in the light of experience some additional marking of the seining area will be desirable. The whole matter will be gone into carefully.

I wish to point out some inaccuracies that occur in this letter in reply to mine. No doubt the minister received the information from his deputy or from the department; nevertheless I maintain that there are in that letter some inaccuracies of which he may not be aware. He mentions, I will not exactly say cunningly, but he mentions that there were 760 white gill netters. That is not the exact number and I wonder why he did not mention the whole of the gill net licences issued and in operation on the Fraser river, because my information is that some 1,707 gill net fishing licences had been issued for operation on the river, and that there was also a total of 348 boat pullers, making altogether 2,055 who were affected by this regulation. The minister says that the regulation in no way prevented fishing by gill netters, and he states the fact that the fish were not in this area at that time. Well, how could the gill netters or anyone else catch fish there if the fish were not there? That is not a sound argument, because there were times when the fish were in that neighbourhood. He speaks of the fish striking fresh water. Well, I pointed out last year, and I point out again to-day, that the whole area allotted to seiners last year consists of brackish waters, and any of those who understand anything about these waters, those who are in the habit of passing between Victoria and Vancouver, must have seen in daylight at least the line of demarcation between the fresh waters and the brackish waters from the Fraser river. That line is many miles out from the mouth of the Fraser river, so that when he says that the fish struck fresh water and were picked up by the seines, I maintain that such is not the case, because the seines operated entirely in brackish water. The fresh waters of the Fraser river go for miles into the gulf before being completely absorbed by the salt water.

I wish to show that the fishermen have been deprived this year of their livelihood. I pointed out in my letter to the minister that 80 gill netters had picked up in one day's operation some 1,985 fish, or an average of about 26 fish for each individual boat, and I also pointed out that seven seines had taken between 7,000 and 8,000 fish on the same day, averaging 1,000 fish to the boat. That is only one day's operation, but there were

days when the seine boats scooped up 8,000 and 9,000 fish; and I have it on the best authority that there was one day when the seine boats scooped up so many fish that the canneries could not use the fish and many were dumped overboard. That information I believe was given at a meeting of representatives held in New Westminster, and Mr. Found, the acting deputy, was present when that statement was made. However, the interesting and I think serious point is that in 1932 before the seine boats were allowed to operate the daily catch of the fishermen ran all the way from 100 to 500 fish per day. It is true that these fish caught in that period were low priced fish, but the fishermen have to take all that they can get as every little helps. But when the seines came in last fall and were allowed to operate in the mouth of the Fraser river the catch dropped to as low a figure as I have mentioned, about 10 fish per day. Not only so, but there were some varieties of fish that did not go up the reaches of the Fraser river—different varieties from the pink. There is a variety known as the white spring salmon which fetches a price of from 1 to 2 cents per pound, and in 1933 after the seines started to operate not one white spring salmon went up the Fraser river. The seines scooped up not only the pink salmon but every other variety, and this helped in large measure to deplete the earnings that would otherwise have been gained by the individual gill net fishermen.

Let me now discuss prices for a moment; I will come to the question of quality afterwards. I am taking the different points in sequence so that a proper picture may be presented to the government. The minister is not correct when he states in his letter that the seine boats got a higher price for their fish than did the gill netters. If he had said that the seine boats got a higher price for their fish than the gill netters who were operating right up the Fraser river, I think he would have been accurate. But it is not true to say that the price was the same to all gill netters, because those gill netters who went out on the gulf to fish received exactly the same price as the seiners received. The price started at about 9 cents and dropped, as the season went on, to 4 cents, but all gill net fishboats that went out in that area to fish received exactly the same price from the canners as was given to the seiners. It is therefore not correct to state that the seine boats received a better price for their fish, the inference being, I suppose, that they received that better price because the fish they caught were of better quality. On September 21 the price of salmon had dropped to 4 cents, and that was given to both the gill netters and the seine boats. The price dropped to two cents for the fish caught up the river.

But there is another variety of fish called cohoe salmon for which a price of four cents a pound was being paid, and that was paid to all boats irrespective of whether they were gill netters or seine boats and irrespective of whether the fish were caught in the mouth of the Fraser river or up in the Fraser river itself.

At one period of the fishing season last year there was a glut of fish and when the canneries were offering our fishermen one and a half to two cents, not per pound but apiece, but for whole salmon weighing ten to fourteen pounds, the fishing interests just across the line in the United States were paying fifteen cents apiece for pinks, and some of our fishermen took their catches across the line and received from the canning interests in the state of Washington, in some instances, four times the price they were being offered in British Columbia and in particular prices in the Fraser river area.

Coming, now, to quality, I maintain that there is no difference in the fish caught in the mouth of the river whether by gill netters or by seiners. The mouth of the Fraser river is brackish water. If the fish were caught away out in the open, such as around the gulf islands, there might be some difference. In the gulf islands and the surrounding area the salmon would be caught in pure salt water, but in the area allotted to the seiners last year, the waters were very entirely brackish and the price paid as I have stated for fish caught by gill netters in that area was the same as that paid to the seine fishermen.

I should like now to quote prices paid in the United States and those paid in British Columbia, and I took note that when the Prime Minister (Mr. Bennett) was quoting various commodities produced in this country by Canadians, for which we received more for, he omitted to mention the product of one of our greatest industries, that is fish, because the price given to the fishermen in the state of Washington just across the border from us was far greater than that given to the fishermen on the Fraser river. For instance, the price of spring salmon was six cents a pound; this year the price of sockeye salmon was fifty cents apiece, the first year I suppose that sockeye salmon have been just a little lower in the United States. In other years United

States fishermen received from five to fifteen cents a fish more than Canadian fishermen, but in that regard and while I am on that, let me point out that this year the canneries had no compunction about going across the line and buying that fish because it was a few cents cheaper, although our poor fishermen are debarred in years when prices are higher in the United States or, in fact, in any year, from shipping their sockeye salmon to the canneries just across the line. But for the pink salmon for which our fishermen this year received prices ranging from one to as high as nine cents, United States interests were paying fifteen cents each. That is quite a difference in price and when the question is one of competing in the world market, it will be interesting to know how the United States can supersede and compete with us in many markets and continue to be quite an important factor in competition with our Canadian fishermen in the British market.

Last fall, during the fishing season, many fishermen who live in the vicinity of Ladner and on the south side of the Fraser river were compelled to appeal to the various reeves of the different municipal councils for relief. They were depending upon obtaining quite a proportion of the pink salmon that came up, but when the run was cut down from 500 to ten per day, with a price of one and a half to two cents each, the house can see just how disastrous such a price with such a low number caught, would be to them. Further, they were depending also upon the white spring salmon and last fall not one white spring salmon came up the Fraser river. Not only have the seine boats taken the major part of the pink salmon, but as I have stated, the white spring salmon and other fish were also picked up by them.

It is just as well that the Acting Minister of Fisheries and the house should take note of the operation of seines, because in connection with their operation the same thing may arise that has arisen in the old land. I have under my hand an article from an old country paper speaking of the destruction of spawning beds in the Moray firth. It is true that seine boats in deep water cannot let their nets down to the bottom, but in the area of the Fraser river this year, especially at the mouth, the seine boats did drop their nets down to the bed of the river and in that way irreparable damage may have been done to the feeding beds. As is pointed out in this article from the old land, it has been severely brought home to them that by seine boats being allowed to operate in those shallow waters, feeding grounds and, in some instances, spawning beds have been completely destroyed. I ask the Acting Minister of Fisheries to take serious note of that phase of the situation. Not only may the seine deplete the spawning beds but, as I have stated, they have put great numbers of our fishermen out of business, and if seining is permitted to be carried on in the mouth of the Fraser, I am safe in saying that the fish will be depleted, because the mouth of the Fraser river, with seines operating in it, becomes practically a trap.

This year, the situation presents another serious aspect. An order in council was passed last year by the government allowing seining for pink salmon, but this year if the seiners are permitted to fish there, they are going to pick up the late sockeye run. That is very serious, and if this is allowed, it is the thin end of the wedge to drive the fishermen completely off the Fraser river, because if the seiners are allowed this year to pick the late run of sockeye salmon, it will not be long until we have no salmon left. I know the minister might say: Oh, but the gill netters are also going to be permitted to operate. I would point this out, speaking of the habits of fish, that they come in schools to the mouth of the Fraser river before they attempt to go up the stream, so the seine boats have the first chance at those schools, because they go up in the morning and separate these schools and scatter them. The gill net fishermen cannot operate in the daytime nor can they operate among the seine boats, and when it comes to night time and the gill netters go out to fish they find that the fish have been scattered by the seine boats and it is very difficult for the gill netters to catch any fish.

I note that this year some changes are being made in the order in council. I believe a change in the boundary has been suggested, moving it a little farther out. Another change to be made this year relates to another order in council passed almost at the same time, regarding the landing of fish within twenty-four hours of being caught. In that regard it is very interesting to refer to the arguments both of the Acting Minister of Fisheries and the Minister of Trade and Commerce (Mr. Stevens) who so strenuously supported the twenty-four hour regulation. In my opinion the fact is that that regulation was a move on behalf of the canners of British Columbia to try to corral for themselves areas where fishing was taking place. They thought that by having a regulation that fish had to be landed within twenty-four hours of being caught, unless gutted and iced, many of the small gill net fishermen would not be able to take fish

from one area to another. But what happened? The gill net fishermen and others just conformed to the act, they took on supplies of ice, gutted the fish and packed them in ice, and in some instances such fish were carried for five days in perfect condition. As soon as the cannery interests saw that that move did not chase off the gill net fishermen or the independent fishermen, I understand that representations were made either to the Minister of Trade and Commerce or to the Acting Minister of Fisheries or his deputy, asking that the twenty-four hour regulation be rescinded, and I would like to hear the Acting Minister of Fisheries explain why this change has been made this year, when he so strongly advocated the necessity of the former regulation last year.

I would also make again the same appeal I made last year regarding the practice that has grown up of passing orders in council affecting fisheries, some of them very drastic indeed, at a time when the house is in session. We have a fisheries committee, but to the best of my knowledge and as a member of it we have only met on one or two occasions, they being in the year 1931. I would like the minister to tell the house why proposed regulations cannot be put before that committee to deliberate on. What is the use of having a committee on fisheries if everything connected with that department is going to be done by order in council? As I said, some of these orders in council were very drastic, especially the one I am now dealing with, which affects over 2,000 men, and will affect them further if it is allowed to be carried into operation this year. In my opinion it is a pity that we have not a Minister of Fisheries. I think the fishing industry is important enough to warrant a minister being appointed. It is more important at the present time, in my opinion, than having a Minister of Railways, especially since the railways have been put under the new board. I note that the acting minister has to rely a great deal on the Minister of Trade and Commerce. In that connection I am not going to make any severe comments, but I would like to tell the Minister of Trade and Commerce that the feeling in British Columbia is that the cannery men are being looked after to the detriment of the individual fishermen, with the result of reducing them, shall I say, to slavery. The opinion out there is that we have reached a situation where the fishing industry exists entirely for the cannery interests and not for those engaged in the industry.

Another complaint I have to make is that last year no meetings were held when the deputy minister came to British Columbia. It is true that he intimated to those engaged in the fishing industry that he was willing to hear one or two representatives. But the open meetings that we had before when the fishermen met in a body, and the late minister, now the Minister of Finance, met them, were all to the good of the industry. It would, however, have been a further improvement if the cannery men also had met at the same time. But when the meeting was held last fall the deputy minister was endeavouring to bolster up this idea of the seine, no doubt he came prepared for it, but his information was not very correct. He made such a glaringly incorrect statement that the fishermen took it up, and I attended the meeting at which the whole matter was discussed. I think the minister should know of that statement. I am drawing this to the attention of the house in an endeavour to show that the one idea of the deputy minister was to bolster up the order in council passed last year which allowed seines in the mouth of the Fraser river. He stated to the meeting that 100,000 cases of first class pinks valued at $500,000 were packed as a result of seining operations in the gulf. Yet on December 16, when a statement was asked of the superintendent out there, Mr. Motherwell, he gave it, saying that a total of 910,383 pinks were caught by the seines. For the information of the house I would point out that some sixteen pink salmon are required to make one case, so it would take 1,600,000 pink salmon to make 100,000 cases. The deputy minister at that time was only 700,000 pink salmon shy. I suppose that is a mere detail, but when he comes to these meetings he should be better informed. He was so eager, perhaps under instructions, to bolster up the interests who control the seining that his figures were a little elastic. They were in fact outrageously erroneous. Then he quoted a value of $500,000. Now the opening price for pinks started at $3.50 per case and went to $4. Multiplying that you will find it far short of the $500,000 spoken of by the deputy minister.

Then it is interesting to note the letters that were sent out by the department, cunningly worded—I say it advisedly—with the idea again of bolstering up the canning interests and being prepared in this house for any criticism we might offer against seine boats being allowed to operate in the mouth of the Fraser river. One canning interest down there had some cases of salmon rejected. The letter they received from this department asked whether the cases rejected had been caught by gill nets or by seine boats, a very leading question indeed. It was evident,

at least to those of us who know the situation out there, that this meant, "Well, we hope that these fish that were turned down were caught by gill netters, so that we can circumvent the arguments that probably will be used by the hon. member for New Westminster against the order in council which we passed allowing seine boats to operate in the mouth of the river."

To get down to it, Mr. Speaker, I am asking that the order in council be rescinded. I am asking that seine boats be not allowed in the mouth of the Fraser river, that they be entirely removed. Seine boats I might say move from one area to another; they are just like birds of prey, if one could use that expression in connection with fish, because immediately they fish out one area they move to another, and when that is scooped out they are off to still another. If this is allowed to go on they will not only destroy all the fish in the Fraser river but also will throw over 2,000 men out of employment.

Now let us consider the question of quality. If it is a question of quality why not allow the men on the Fraser river to put up a pack and call it the Fraser river pack? Above the Fraser river bridge we have some 228 fishermen operating, many of whom put up small smokehouses this year, gutted and smoked these pink salmon and peddled them around the country, thereby picking up quite a few dollars. If the seiners are allowed to operate these 228 fishermen will have no pink salmon in future and, as I said before, if they are allowed to go on there will be no sockeye salmon either, because the late run of the sockeye salmon is going to be picked up this year by the 50 or 60 seine boats operating in British Columbia waters.

If it is a question of catching the fish a little more cheaply I would ask the minister why not allow the gill net fishermen to have a longer net. That could be allowed out in the mouth of the Fraser river, if not in the river itself. In Puget sound the gill net fishermen are allowed nets up to 1,800 feet in length, but in this country they are limited to 900 feet. Why not allow the fishermen nets as long as they care to use? Let them go out in the gulf with the longer nets, if it is a case of trying to lower the cost of getting the fish.

There is another point. The fishermen should be allowed to sell their fish in the highest market. I think earnest attention should be paid to the fact that last fall some of our cannerymen went to the United States and brought in one hundred thousand sockeye salmon. When prices are a little lower apparently it is all right for the cannery men to go across the line and bring in the somewhat cheaper fish in order to hammer down the Canadian fishermen, but when prices are higher—and in fact every year—our fishermen are precluded by our laws and regulations from exporting fresh sockeye salmon. The whole concern seems to be for the cannerymen and not for the fishermen. We are paying out money for relief; we are endeavouring to encourage employment, but at the same time this government is passing regulations which put hundreds of men out of employment. If it is a case of the greatest good for the greatest number look at the figures I have quoted. Even allowing eight men to a boat the seine boats will employ at most 500 men, as against 2,058 individual fishermen who are endeavouring to earn their livelihood on the Fraser river. If Canada cannot compete with the United States interests—and I say this frankly—it is because the cannery interests in British Columbia have too much overhead; the industry is overloaded or over capitalized, if I may use that word. The result, as I have endeavoured to show, is the lowest possible price they can give the fishermen.

I am appealing to the government and to the minister to repeal this order in council. I appeal to him also, especially when the house is in session, to have the committee deal with any further regulations that may be proposed. All matters affecting agriculture are referred to the agriculture committee, but when it comes to our fisheries, one of our most important industries, these regulations are approved and passed by order in council. Yet we have the committee on fisheries which would be only too glad to be given an opportunity to discuss these matters. I appeal to the house on behalf of more than 2,000 men whose living has been interfered with by the action of this government, and I trust that my appeal will not be in vain. If some remedy is not applied I am sure the reults will be very disastrous indeed. Not only will they deplete our fisheries but all these men will be thrown out of employment and will have their means of livelihood taken away from them. Having made these representations I ask that the government give serious consideration to the matter.

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): Mr. Speaker, I am sorry my hon. friend from New Westminster (Mr. Reid) did not give notice that he intended to bring this matter before the house; had he done so I might have been in a

position to give the house more details and information.

My hon. friend has brought up this matter almost every session since we have been in power, and I was particularly interested last year when he raised this question. I then promised my hon. friend then that I would study the matter and would direct my deputy and my officials on the west coast to do the same, in order that no injury might be done the gill net fishermen of the Fraser river. I can tell my hon. friend that when my deputy started west last fall, I think it was in November, I gave special instructions that he should inquire into the matter from all angles and should ascertain from interested parties whether or not the fishermen of the Fraser river were really affected by the regulation which allows purse seining in the gulf of Georgia. My deputy went west gathered all the information possible, and met the fishermen of the Fraser river; my hon. friend has said that he was present at one or two meetings.

Mr. REID: One.

Mr. DURANLEAU: I think the best answer I can give my hon. friend at the moment is the report which was made by my deputy upon his return. I have also a letter from the board of inspection for British Columbia canned salmon, which gives an entirely different view from that expressed to-day by my hon. friend as to the quality of the fish caught after they leave the sea and enter the Fraser river. These reports state very clearly that the fish caught in the river has lost its quality and become of second or third grade, and if the regulation had not been adopted there would have been a real loss to the country, because the purse seining in the gulf of Georgia has shown the best results for the industry in general. I think the report of my deputy minister should be placed before the house:

Purse-Seining for Pink and Late Run Sockeye Salmon in the Gulf of Georgia

Two species of salmon—pinks and late run sockeye—deteriorate in quality speedily as soon as they come into contact with fresh-water. Every second year there is a large run of pinks and every fourth year of late run sockeyes to the Fraser river. These fish come in mainly through the United States waters of Juan de Fuca strait and the gulf of Georgia. They are in prime condition when there and there is a large fishery for them on the United States side.

The Fraser river waters follow a well-defined course almost across the gulf of Georgia and the fish begin to go off quality as soon as they enter these waters and become speedily worse as they ascend the river. The Fraser river gill-net fishermen operate not only in the river, but out into the gulf in the Fraser river waters there.

There is a comparatively small area south of these waters and north of the boundary line in which there has been practically no gill-netting, and in which these salmon are still in prime condition.

Particularly since the canned salmon inspection regulations became effective two years ago there has been little demand for these fish for canning purposes after they enter the Fraser. Hence the position was that if they were not allowed to be taken in seines in the small area north of the boundary line and south of the Fraser river waters, they would not be caught on the Canadian side to any large extent and so we would be giving additional protection to a run of fish that was being utilized mainly by the United States. Hence, last year it was decided to allow purse-seining in this small area. This did not prevent gill-netting where it was previously conducted, and only interfered with it to the extent that the fish would be caught before entering that area. The regulation has worked pretty much as we expected as is evidenced by the attached copy of a report of November 2, 1933, by the Canned Salmon Inspection Board, on the subject.

Last fall, when the undersigned was in British Columbia, he met a large delegation representing the Fraser river fishermen. He read to them the attached report and stated the case as frankly and clearly as he could. He explained that there was really no departure from the department's policy of encouraging gill-nets where that method of fishing was practicable, but we were faced here with the fact that if fishing were restricted to gill-nets we would get little advantage from it. Hence the Fraser river gill-netters could not be hurt so much by the regulation owing to the small demand for this fish when taken in the river, and they might fish for them, if they wished, as they did in the past.

The undersigned did use the figures that were given to him at the time as to the total pack of seine caught fish from this area that was put up, which he stated was approximately 100,000 cases. It has since been developed that these figures included the whole pack put up in district No. 1, no matter where the fish were caught. The figures were, therefore, too large. This does not change the validity of the argument itself as to the propriety in the public interest of this regulation. The fact that last season there were 524,369 cases of pink salmon packed in British Columbia, that of these 13,930 were classed by the inspection board as "Second Quality" and that 11,142 of these "Second Quality" fish were from Fraser river gill-net caught pinks, while only 185 cases of fish taken in purse-seines in the southern area were so classed, speaks for itself.

1933 Canned Pink Salmon Pack
District No. 1

	Cases
From seine caught fish	60,404
From gill-net caught fish	32,432
Total Fraser fish	92,746
Brought from other areas for canning in district No. 1	50,289
Total district No. 1 pack of pinks	143,035

I should like also to put on record the report made by the board of inspection for British Columbia canned salmon. It is dated November 2, 1933, and is contained in a letter addressed to Mr. Motherwell, chief supervisor of fisheries, at Vancouver:

Dear Sir,

Replying to your letter of the 28th ultimo regarding pinks in the Fraser river district.

The opening of waters off the Fraser to seining would appear to have led to a much improved quality in respect to a large portion of the pack at Fraser river canneries and canneries in the Vancouver area packing so-called Fraser river pinks. The individual experience of each member of the board over a long period of years has been that the great bulk of the Fraser pink pack has been of such a character that under the inspection now in force it would have to be classed as second quality for lack of firmness. It was only the very early portion of the pack that would have been approved. This season it has been evident that a large part of the catch came from outside waters having firmness and colour never evident in pinks gill-netted in the fresh water of the river.

The board had no information regarding each parcel as to whether packed from seined or gill-netted pinks and so can deal with the question in only a general way but is of opinion that the regulations for inspection acted as a deterrent on the packing of gill-netted pinks, and that in the case of those that were packed there was more care in most cases to cull out males and other defective fish, so that while the parcels which failed of approval were soft, there was not much of the "soupy" fish that will pour out of a can which has been much in evidence in previous pink packs on the Fraser.

The published figures of the pack of pinks in the Fraser river area at time of writing are 142,948 cases. While these have not yet all been submitted for inspection and include some fish brought in from Johnston straits which may or may not have been heading for the Fraser, there have been of those examined only 11,000 cases relegated to second quality.

The pack of Fraser pinks in 1929 which was the last year when they were packed in quantity consisted of 161,529 cases. The result of the packing of that fish was a demoralization of the market and a loss of prestige for British Columbia pink salmon, one of the results being that in 1931, which was the next cycle year when pinks come into the Fraser, there were packed only 20,000. If the pack of 1929, consisting of 161,529 cases had been submitted to the inspection system now in vogue the board considers it safe to say there would have been at least 100,000 cases degraded to second quality.

The board considers that seining the fish in the gulf before they suffer from contact with the brackish water, has resulted in the production of at least 100,000 cases of creditable fish which if not caught in the gulf but allowed to enter the river would, if taken, have been unfit to pack or have resulted in the same quantity of a low grade product.

The bulk of the pinks packed in British Columbia this season has already been sold, there being a good market demand, and what is being delivered instead of besmirching the reputation of Canadian salmon as did the Fraser pack of 1929, will raise it and the consuming centres will be in a receptive mood for subsequent packs.

Yours truly,
Board of Inspection
for British Columbia Canned Salmon,
E. O. Cornish,
Chairman.

I do not think I need add very much to the statement of my deputy minister and the one made by this board. All I can say is that this government desires, just as much as my hon. friend does, to help the fishermen of the Fraser river, providing no harm is done to the industry in general. I think the regulation which was passed has proved itself to be beneficial to the industry on the Pacific coast without injuring the interests of the fishermen on the Fraser river. As is proved by these reports, the fish taken is of second quality. The catches in the river fell down considerably from 1929 to 1931. My hon. friend is representing the fishermen and I understand the position he takes in this house. But he sees only one side of the question while the government has to look to the best interests of the industry as a whole. We consider that what has been done is in the best interests of the industry.

Mr. REID: Is the minister aware that the fish caught in the upper reaches of the Fraser river and which were refused, were taken across the line and sold to the canneries in Washington at four times the price?

Mr. DURANLEAU: I am aware of the facts brought to my attention by the officials, and that fact was not brought to my attention.

Mr. REID: I am stating it now.

Mr. DURANLEAU: I assure my hon. friend that this regulation was put in force only after the question had been thoroughly studied. In view of the report and letters we have received from the Pacific coast, it is not at the moment the intention of the government to modify or repeal this regulation.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I had not intended to take part in this debate but the Acting Minister of Fisheries (Mr. Duranleau) has referred to the report of the inspection board. My suggestion is that he should tear up that report or put it in the fire. When writing to the hon. member for New Westminster (Mr. Reid) the hon. minister made the statement that the results of the investigation were not far different

from what was anticipated. Of course they were not far different, they were made to fit the circumstances. What does the report of this board of inspection amount to? It is simply if and when and perhaps and maybe; it is simply an attempt to justify the policy laid down by the department. They admit that they cannot distinguish between fish caught in the one place and those caught in another; the whole thing is an ex parte statement of the most ridiculous character. They refer to the last big catch in 1929 and suggest that it was the quality of the catch that demoralized the whole market. Was it the quality of that local catch that demoralized the world trade in salmon? We all know that such a thing is ridiculous and such a statement is unworthy of being included in a report of that kind. In 1929 there was a demand for fish of any kind, as long as it had a fin on it it was good enough to go into a can. But then the world debacle took place and you could not sell salmon of any quality at any price. The following year there was a very small catch, practically no chums. But had that anything to do with the quality? I did not catch the whole of the report, but as I understood it it was simply made on request and intended merely to support an announced and agreed on policy. The figures collected by the board and furnished to Major Motherwell and passed on by him to Doctor Found were not the same as Doctor Found presented to the meeting at New Westminster. Yet he should have had the report before him.

I think the minister would have been well advised not to have said that the policy of the department is to curtail seining wherever possible. I know that has been the announced policy of the department but the department has given little indication of carrying it out of late years. It is very unfortunate that this particular local policy should be adopted in these days of unemployment. Wrap it up, go around it, evade the issue as you like, there is no question that it has resulted in a very serious curtailment of employment of fishermen. That result will continue in the future.

We do not seem to be able to agree as to whether there was 100,000 or 500,000 cases put up, but the board of inspection says that they were of real good quality. If that is the case, why is it that there have been so many pinks condemned in the last few months? Let the minister go and check up the reports which have been made recently. If he does that, I think he will receive quite a surprise.

This board of inspection made an ex parte statement in the month of October, but how many salmon had been inspected at that time? They seemed to have the whole thing cut and dried and knew just what the quality was going to be. I think I am safe in suggesting that they had not inspected a third of the catch at that time.

The statement made quite frequently by the hon. member for New Westminster would seem to be the crux of the whole matter. He stated that seiners were allowed to fish right in the mouth of the Fraser river. The minister has said that a small area had been set aside right down on the boundary line where the gill-netters do not penetrate and where the water was not muddy. He stated that the seiners could operate there quite successfully. I believe there is a certain amount of truth in that, but this area is small and right down on the American fishing borderline. Had the seining been confined to that area there might have been some justification for the argument advanced by the department that a better quality of fish could be caught by being taken earlier in seines, but they made a mistake when they threw open the whole mouth of the river to the seiners. This is the area of muddy water and the gill-netters operate there and as far out as the muddy water extends. I do not suppose they went down as far as this small area, but the mistake was in not confining the seiners to that small area. The minister refers to this existing district as a small area but it is not small and the seiners were given access to a territory contiguous or belonging to the gill-netters, so to speak. The minister has suggested in his letter to the hon. member that there is a possibility of changing the area boundary this year, but why should not this have been done in the beginning? It is just like the 24-hour rule which was found to be impracticable. If our advice had been listened to last year this matter would have been brought before the fishing committee where representations could have been made. The mistake made in this instance was in giving the seiners certain territory which came within the jurisdiction of the gill-netters. The minister has said that the gill-netters could go down there and operate but if he were one he would know what kind of a chance he would have operating among seiners.

I wish to endorse the representations made by the hon. member for New Westminster as regards the deputy minister not having meetings out there. That policy was inaugurated nearly ten years ago; I never heard anyone complain about it, except those who wanted to protect special interests. It was a fair thing and there were no objections. The

present Minister of Finance (Mr. Rhodes) went out there, and there was a sort of understanding that he should hear the representations of one class only; it was understood that he would be dined by the canners and would hear their side of the matter. But very much to his credit he insisted on staying over a couple of days in order to hear the point of view of the fishermen themselves. He did so and listened to them as attentively as he had listened to the other side, and he got a very much better perspective of the situation by hearing both sides than he would have got if he had listened to the representations of the canners alone, listening to what they had to say and then going home and acting upon it. And when the deputy came out from year to year he also gave a fair hearing to all sides. A better arrangement could not be conceived. Of course, big interests can always send delegations here, just as they did last January when the twenty-four hour rule was put into effect overnight. But the fishermen cannot do this. We can voice their grievance after it has become a grievance, or we can voice their views privately to the deputy. But that is a very different thing from the deputy going out and getting the consensus of opinion from all concerned. I do not know why the deputy was instructed not to have meetings this year. I venture to suggest that he was ashamed to have any meetings. I suggest that these meetings should be continued in the future.

There is another thing I might suggest. It is beside the point, but I have been thinking somewhat of it of late. Perhaps with the good offices of the minister, whose name would go down in history so far as the fishing industry in British Columbia is concerned, would it not be a good thing, would not this be the appropriate time, to inaugurate in connection with that industry a policy such as has been adopted in the United States and which is indicated by the letters N.I.R.A. Instead of the canners believing that the only way they can achieve success is to put something over the fishermen, by cutting down their prices unfairly, by compelling them to deal with local interests, and so on, and instead of the fishermen having a determined prejudice against anything that the cannery men might suggest, merely because it comes from them, would this not be a favourable moment, with the assistance of the minister, if he were impartial in the matter, to try to get together rather than to have the different parties concerned pulling in opposite directions? Why not have a proper basis of prices? The United States has a wage code. Suppose we could arrange a code with regard to the price of fish and then cooperate along these lines. Above all, let the cannery men do what they are best fitted for, what is essentially their business, namely, the canning of fish, and let the fishermen attend to their business, let them do what they are best fitted for, which is the catching of the fish. That arrangement was carried out a number of years ago in connection with halibut. I have only a vague understanding of it, but I believe that at one time the buying interests, those who buy halibut and ship it to the New York market, were in the business of fishing, and their boats were competing with what I would call the independent fishermen. This led to all kinds of trouble, jealousy and ill will, until finally the practice was abandoned and the buyers confined themselves to their legitimate business of buying and selling halibut, leaving the fishermen to do the fishing. That system has worked well, neither side having tried to hold up the other. If we could adopt something like N.I.R.A. in connection with the fishing industry on the Pacific coast it would be a monument to the minister and to everyone connected with it, and it would be very much to the benefit of all classes. No one class would benefit unduly and there would be a fair deal all round. The fishermen would realize the troubles of the cannery men and the cannery men would understand that it was in the best interests of the industry to deal fairly with the fishermen, so that it would not be a question of cutting each other's throats. The minister might seriously consider this proposal, and anything I can do to assist him I should be glad to do. I shall be happy to devote my time and energies to helping him to carry out something of this sort on the coast, if he will give it his endorsement and see to it that some active measures are adopted to have it inaugurated.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I would not intervene but for the fact that, in the first place, I come from British Columbia and have a fairly good knowledge of the situation and secondly because as Minister of Trade and Commerce I am interested in this matter, which in a measure affects the work of the department over which I preside.

The two hon. members opposite who have spoken on the subject have quite earnestly, and certainly very vigorously, advanced what they believe to be the interests of the fishermen. I submit however that there has been rather a disregard of certain facts which are beyond the control of government or of man, for that matter. Let me say at once that as

far as I am concerned—and I know the view of the Acting Minister of Fisheries and of the government generally—we are just as much interested in the welfare and prosperity of the fishermen on the Fraser river or in any other section of Canada as are the hon. gentlemen opposite. But the government, in the administration of this matter, like their predecessors in office, both the preceding government and other governments for the last thirty years, have always been confronted with certain stubborn facts, which I will refer to in the course of my remarks.

The hon. member for New Westminster made certain comparisons indicating a diminution of catch by fishermen on the Fraser river. That the house may be better seized of the tremendous changes that have taken place on the Fraser river, let me give some of my own recollections. I can recall when, long before the hon. member for New Westminster came to that district, one could go out to Steveston on a Sunday evening after the weekend holiday—the fishermen laid up for twenty-four hours in those days—and see from 6,000 to 7,000 fishing boats leaving Steveston alone, going to the sand flats at the mouth of the river to fish. Furthermore, in those days, especially in every fourth year when the large run occurred, most of these fishermen would make a very profitable catch. I think I am correct in saying that for many years in the early stages of the industry the canneries in the Fraser river area put up by long odds the largest portion of the catch.

Mr. HANBURY: In British Columbia.

Mr. STEVENS: Yes. Gradually that pack diminished and the northern areas, which are of a different character, became the predominant locality in which salmon was packed. Now, what brought about the change? I think we ought to get this clearly before the house, and if hon. members will bear with me I will make one or two references to some of the facts relating to this matter.

In the first place, it must be remembered that the Fraser river is one of the large rivers flowing into the Pacific, on the upper reaches of which salmon are spawned. I suppose the Fraser river, the Columbia river, the Stikine, and some of the northern rivers as well as some of the smaller streams, the Skagit river and others, are the sources which maintain the supply of salmon. Salmon on the Fraser river are peculiar in this respect that the sockeyes usually have what is known as the heavy run once every four years. One of the phenomena of the world is the way in which the sockeye salmon have an extraordinary run every four years; that is a much larger number come up the river to spawn. Then of course the spawn goes out to sea and it is a peculiar characteristic of our salmon that they go out, nobody knows where, remain there for a certain time and then return to the stream where they were spawned Nature in a most extraordinary manner provides the instinct which brings this about. It has been one of the duties and cares of all governments to maintain the spawning grounds in as good shape as possible, very frequently, by the installation of hatcheries, taking eggs where available from the fish when in proper condition and depositing them in hatcheries, supplementing the efforts of nature in maintaining the run of salmon in the Fraser river.

During the construction of the Canadian National a huge blast was set off in the Fraser canyon throwing into the river, I suppose, millions of tons of rock from the side of the mountain. This for several years caused an interference with the run of the fish up the river. It was soon discovered and not this particular government, but preceding governments spent very large sums of money, I have forgotten the amount, in clearing away this barrier in the Fraser so that the fish might run up. It did, however, have the most damaging effect upon the fishing industry in the Fraser river, as became apparent in the recurring four-year periods by the fact that there was a rapid diminution owing, experts said, to a sufficient number of fish not being able to get up the river to spawn during a certain period. That difficulty was overcome and then efforts were made to obtain spawn and thus maintain the fisheries, but there was a serious falling off in the supply of salmon on the Fraser. So much for nature.

But another factor entered into the situation. It must be borne in mind that when the salmon go out to sea to their habitat wherever that may be, and return to the place where they were spawned, in this case the Fraser river, they come round the gulf of Georgia, round the southern end of Vancouver island—a number go north—through the strait of Juan de Fuca; then they strike the mainland coast and come up the coast from the state of Washington into the area of British Columbia and up the Fraser. The Fraser is a huge river, over a thousand miles in length; it constantly pours into the gulf of Georgia a muddy water that carries in suspension a fine silt. When the river empties into the gulf of Georgia, the working of tides up and down the gulf carries the fresh water to a certain extent up the coast, but chiefly

down, so I would suppose—and I am speaking just from memory—for probably forty miles down the coast will be found silt deposits of the Fraser. This in centuries and millenniums has built up wide flats, what we call tidal flats or shallow areas. I am informed that the fish go out into very deep sea and when they come in they are hard, firm and of very fine quality, but again obeying the dictates of nature, they hover around river mouths in that brackish water of which the hon. member for New Westminster (Mr. Reid) has spoken. There they remain for a certain period until their physical condition is suitable, shall I say, to the necessities of spawning. After hovering there for a certain period, they go up the river to the spawning beds, very many of them going long distances up the main river and its tributaries. I can recall in the early days when the Fraser river would be almost choked with the numbers of salmon ascending, and they may still be seen in large numbers going up the river and its tributaries. But during the period, which may be a few days or longer, they are lying in the brackish waters, they gradually soften; their flesh becomes soft and they deteriorate from the standpoint of edibility. Therefore the sooner the fish can be caught after they arrive from the deep sea water in the shallow areas along the coast, the better their condition will be.

Mr. REID: The statement was made at a meeting that the fish caught long ago, that is when there were six or seven thousand millions at the mouth of the Fraser, were just as good as they are to-day.

Mr. STEVENS: I am coming to an explanation of that point. In part my hon. friend is correct, but not wholly so. The point I am making for the moment is that the sooner the fish are caught after they come into shallow water, the better, and the longer they remain there, the softer they become. No one will dispute that fact.

Another factor enters into the matter. During the years our United States friends—and in saying what I am about to say, I am not criticizing them; that is their business—knowing these fish come right by their door to enter the Fraser and not having very much interest in that river, simply set themselves to catch as many salmon as they could while they were in waters adjacent to their own territory. I think I am correct in saying that 90 per cent of the fish that run up the Canadian waters of the Fraser would for many miles pass United States territory contiguous to British Columbia. What is the result? Huge canneries developed at Bellingham, Blaine and other places just south of the boundary and the United States authorize not only gill net fishing, which is done in a comparatively small way, but the installation of fish traps and seines. A fish trap is one of the most murderous contrivances ever invented so far as catching fish is concerned. It consists of long reaches of piling with nets stretched along. My hon. friends will correct me if I am stating this inaccurately. I think in some cases a mile or perhaps more of this will be stretched out crossing the known pathway of the fish. As the fish sweep up the coast and strike one of these barriers which are placed at an angle across the pathway they are following, they are guided into what is known as a trap, a trap being quite a huge area of piling with nets down quite deep so that there is no possibility of the fish escaping once they are in it. When they are in the trap, they are lifted out of it by machinery and literally hundreds of tons of fish are taken out of traps in that way. I have seen this and have no doubt hon. members have seen pictures of it. It is a most murderous system of fishing, but it is followed quite commonly and has been to my knowledge for the last ten years.

That is as far as trap fishing is concerned. Then they have another system of fishing with purse seines, a huge net, the dimensions of which are obtainable from the department,—I do not carry them in my mind. This net is thrown out in deep water. When they sight a shoal or when they know that fish are running,—and the men become very skilful at that,—they throw out one of these nets. It is very long, a boat will run in a circle and when a large section of this net is out it is gradually drawn together and pulled tight at the bottom and the whole net drawn into the boat; and fish are taken out by the ton, not individual fish as in gill net and similar forms of fishing. This purse seine fishing is carried on very extensively by our American friends. That again is not a point I am criticizing, it is just a statement of fact. It is done by them before the fish reach Canadian waters at all, before they get near the Fraser river.

A few years ago the government of Canada, largely at the instigation of the government of British Columbia and the fishing interests generally there, worked out what is known as the Sockeye Salmon treaty. This treaty has been discussed pro and con. In any case it was signed and passed this parliament, but it has never been ratified by the United States congress, and therefore is not in effect. The object of the treaty was to deal with this situation, which in British Columbia was felt

to be unfair, because we were spending thousands of dollars to maintain the quantity of fish spawned in the Fraser by supplementing nature with hatcheries, we were restricting our own fishermen so that a certain number of fish could escape up the river for spawning, but while we were doing that our American friends by a system of trap and purse seine fishing were taking unlimited quantities of fish. Had the Sockeye Salmon treaty become effective it would to a substantial degree have rectified this condition, but it has not been ratified and we are faced with the stubborn facts. The catch on the Fraser river fell off year by year until in 1931 it was, I think, only 20,000 cases. My hon. friend from New Westminster (Mr. Reid) knows these figures probably more accurately than I. At any rate the catch had fallen to a lamentable degree.

Then the suggestion was made that, inasmuch as there was apparently no possibility of a modus vivendi with the United States, this treaty which we had passed in good faith not having been ratified by the American senate, why should not Canadian interests be permitted to seine in the parallel area on the Canadian side? I admit very frankly that it is a matter for debate whether purse seining should or should not be allowed. I ask my hon. friends to accept that as a fair statement, but not an admission that the whole thing is wrong, I do not want to be so interpreted. However I can see their side of the question. I submit that if the facts as I have stated them are accurate—and I think no one will question them—then it stands to reason that the Canadians might just as well catch a certain amount of fish with seines in the same manner as the Americans do and thus increase the quantity of fish that we can put up. That is on the one hand. On the other hand I think it is demonstrated beyond any question that the fish so caught are of a superior quality to those caught in the river. I will admit with my hon. friend from New Westminster that such gill net boats or individual fishermen as go out of the mouth of the river and fish on the sand heads may catch fish practically equal in quality to those caught by the seiners, but I think generally speaking those caught by the seiners are superior. As my hon. friend knows, you will see fishermen fishing with their gill nets above the Fraser river bridge, twenty miles from the mouth of the river, but in that area from the mouth of the river to as high as the gill net fishermen operate, there will be a larger proportion of soft or inferior fish than would be caught outside the mouth of the river. Therefore I think it cannot be questioned that the fish caught by the seine fishermen in the area referred to in this order in council are of a firmer and superior quality.

Another thing I want to say—and which to my mind is of greater importance than almost any other point—is that we have in British Columbia salmon fisheries a very fine industry. Perhaps I should say we had, because it was better years ago than it is to-day. But we still have in the salmon fisheries an important industry. However, the competition that we are now confronted with is much keener than it was ten or twenty or thirty years ago. Some years ago our only competition came from the Americans, and at first they competed with us only on Puget Sound. I remember very well when there were very few American canneries in the north. But gradually the American interests extended their canneries in Alaska, where they catch a very fine type of sockeye as well as other kinds of salmon, sockeye being the most attractive for the market. One of my hon. friends said a moment ago that he could not see why Canadian packers could not compete successfully with the American, but my hon. friend must at least do the Canadian packers this justice, that the salmon packed in Alaska, as well as in northern British Columbia, are generally speaking in better condition when caught, owing to the water being colder and clearer, than those caught at the mouth of the Fraser or of the Columbia. Inasmuch as the American pack is largely an Alaska pack we are therefore faced with keener competition from Americans to-day than we were twenty or twenty-five years ago. That is one point. Then in the last ten years the Japanese have come on the world market, they now catch salmon on the Siberian coast and the Asiatic coast quite similar, and quite as good, I am told by those competent to judge, as the Alaska and northern British Columbia salmon. In fact they are the same general type of fish.

Mr. HANBURY: By what method do they kill them?

Mr. STEVENS: I think methods very similar to ours.

Mr. HANBURY: By traps or purse seines?

Mr. STEVENS: They use the traps the same as we do, I do not know whether they are precisely the same, but I think in effect they are the same. I omitted to say that traps are used very freely in Alaska, and they are used in British Columbia waters in one or two cases. The Japanese came on the market, and they have been our keenest competitors in the European markets. Then

within the last five years the Russians have come into the picture, with very extensive government owned and established canneries, and to-day they are amongst our keenest factors in the world market for salmon.

Mr. REID: If I might interrupt, my contention was that price is the predominant factor in Great Britain.

Mr. STEVENS: Quite so. I am glad my hon. friend mentioned that. I was saying that the Japanese and Russians being now in the picture are tremendously keen competitors not only in respect of quality but of quantity. The price competition is accentuated by the presence of these two additional competitors, particularly the Russians. They have made it extremely difficult to sell our fish in the world markets. These facts are inescapable, they are factors beyond our control, and they cannot be lightly brushed aside. We must face them; we must recognize them. What the government of the day are trying to do is this: We are trying to maintain the high standard of Canadian salmon, and we dare not allow the conditions that obtained in 1930 or 1931 to return. In those years quite a substantial quantity of very inferior fish were packed and placed on the market, and I know that as Minister of Trade and Commerce I received some very very strong protests. Speaking from memory I recall one large distributor who said that he would never take any more British Columbia salmon. In any case we know that it did injure our reputation, and it is with the desire to win back and maintain the excellent reputation we have had on the world market in years gone by that these regulations were brought into force.

Let me say first—and I say this to my hon. friend from New Westminster very courteously—that I do not think any further diminution of the catch by gill net fishermen has resulted from the use of purse seines in the area to which the order in council refers than would have obtained if we had done nothing and simply allowed matters to take their course. I would go further. If there has been a slight diminution—and I do not think there has been very much—we are making up for it in the better condition of the fish and in being able to meet the keener competition I have just mentioned.

Then I was going to say a further word with reference to the other order in council which was passed and later repealed. My hon. friend from Comox-Alberni (Mr. Neill) spoke in rather scathing terms of that order in council. I recall that he protested at the time, but I want to say that it was an effort to meet a condition which I think is inimical to the best interests of the canned salmon industry. I will give an illustration of that. A certain individual had a cannery in the harbour of Vancouver, which obviously is not the place for a cannery except to take fish locally. Not being able to get fish locally, he encouraged men to go away into the north—and we had abundant evidence that they went for several hundred miles—and there buy up fish and bring them down to Vancouver to this cannery, so that when the fish reached the cannery they were several days old. I am sure that neither of my hon. friends will assert for a moment that fish handled under those conditions are calculated to give the best results in our canning operations; indeed, sir, it is a menace to the canning industry. I do not want to say that the man who builds a cannery in the harbour of Vancouver should not be given a chance to live, but there is reason in all these things. A man who will build his cannery there and expect to get his fish from around Rivers inlet or the Skeena river, is foolish. He should not be encouraged, and it is obvious that he has no claim on any government for protection or assistance. If he were getting his fish at his pier certainly he should be entitled to every consideration, but the effort should be to get the fish to the cannery as quickly as possible after they are caught.

Let me remind my hon. friend of another matter, and I do not refer to this because I am a Conservative and the government to which I am going to refer was Liberal, but rather in order to give the point of view that was taken by a government in which undoubtedly he would have confidence, and in order to disabuse his mind of any thought that the action was taken by a government whose whole outlook was out of sympathy with his own. During the entire period Sir Wilfrid Laurier was in power there was a very strict boat rating system in operation in British Columbia, and what was the boat rating system? It was a most arbitrary system. In the light of all that has passed I am not prepared to say that it was not the best system, although I fought it when I first came to parliament nearly twenty-three years ago. Under that system the Department of Marine and Fisheries, as it was then, without any particular rule but in an arbitrary fashion allocated to each cannery a certain number of boats. I think it ran from about twenty-five boats to fifty or sixty, and the average would be about forty. The cannery secured the allocation of boats, and then it allowed certain individual fishermen to take

the cannery boats and fish, but no one could fish in the area contiguous to that cannery and allocated to it but the boats of the cannery itself. In other words, under the regulations that obtained for about a score of years, the cannery had an absolute monopoly of the fishing in the area in which the cannery was located. I am not prepared to say that this was wrong; after seeing free fishing in operation all over the coast, with the grief, the trials, the tribulations and losses that have occurred, I am inclined to think that some such system in operation to-day might have a better result. For instance, a moment ago the hon. member for Comox-Alberni asked why the acting minister did not adopt something along the line of the N.R.A. in the United States. That is precisely what the N.R.A. is doing to-day; they are simply restricting the competition in business, shall I say, insisting upon an arrangement between business and workers, and arbitrarily controlling it.

Mr. NEILL: But not on one end only; on both ends.

Mr. STEVENS: Of course, but the N.R.A., applied to the canning industry on the Pacific coast, would result substantially in something such as I have mentioned. I must say, however, that looking back over the years I am not now prepared wholly to condemn that system, but certainly that system was condemned by those who held the view now held by my hon. friend. I condemned it; I argued for open fishing along the Pacific coast long before my hon. friend came to the house. We achieved that change, but the intricacies of the business and the factors entering into it, which I mentioned a moment ago—the competition from the United States the use by United States fishermen of traps and purse seines, the fact that they had the first chance at the fish before they get into Canadian waters, the fact that competition from Russia and Japan must be faced in the world market, the gradual diminution due to heavy fishing on the Fraser river and so on—all have tended to make the industry less profitable than it was twenty-five, thirty or thirty-five years ago, as I saw it in the early days when I first went to British Columbia.

I think the only quarrel I would have with the two hon. members who have spoken is with regard to their attack upon the Acting Minister of Fisheries (Mr. Duranleau) because they allege that he is not interested in the fishermen and is disregarding their interests. Speaking for the government I think I can say that we are just as keenly interested in the welfare of the fishermen as my hon. friends are, but we cannot ignore those factors to which I have referred, which undoubtedly play an important part in connection with the industry as a whole.

I have just one word in conclusion. My hon. friend from New Westminster rather taunted me, I thought. It was rather cleverly done and nicely placed upon Hansard, so that he can read it to his friends on the Fraser river and say how he told the Minister of Trade and Commerce, on the floor of the house, that he was the friend of the big interests and the packers and therefore was not a friend of the fishermen. I would like to ask my hon. friend, as a good sportsman, whether he thinks that is quite fair.

Mr. HANBURY: May I point out that he did not say anything about the miners of East Kootenay.

Mr. STEVENS: I do not quite see what the miners of East Kootenay have to do with the fishermen. I appeal to my hon. friend at least to give those of us who may differ with him credit for honestly differing. I want to tell him very candidly that I have not the slightest interest in any way—I am not talking financially but sympathetically—with the canners of British Columbia other than my interest in them as ordinary business men of the community. Here in this house, in our efforts to meet this difficult problem, and while extremely anxious to assist, in this instance, the fishermen, we must not simply escape by saying to the fishermen that the fellow who does not succeed in helping to solve their problems is failing because he is a friend of the employer or the packer or the business man. As a matter of fact, everyone from British Columbia knows perfectly well that the canning industry has had an exceedingly difficult time during the last ten years. I question if there has been any profit, or very much profit, of any kind made out of the canning industry, and certainly there has been a great deal of money lost in it.

Mr. MUNN: Too much watered stock.

Mr. STEVENS: There is. I say to my hon. friend very frankly that I have not an atom of sympathy with watered stock, for instance, in Canadian Canneries, and I would not have a bit of hesitancy if he brought the matter forward, to help him wring it out. While the operations of many canneries may not be paying, there are some operators in British Columbia I can assure my hon. friend who are just as honest as he is or myself, or at least as we think we are.

Mr. STEWART (Edmonton): The lady doth protest too much.

Mr. STEVENS: No, you will acquit me of that. We cannot make rascals out of everybody unheard, and I am not going to be a party to it. If my hon. friend (Mr. Reid) really takes any comfort out of these insinuations I shall not quarrel with him a particle, but I say that a government must take cognizance of all the facts of the case, and while we are just as anxious as he is to protect the interests of the fishermen on the Fraser river, we cannot interfere with the American operations south of the line to which I have referred, and which undoubtedly get the major portion of the fish originating in the Fraser river. Nor can we combat with nature or overcome the depletion of the fisheries due to man's operations and the falling off of production, except to the extent that we impose regulations that will protect the fish.

My hon. friend asked a moment ago why we did not allow longer gill nets, and he suggested very skilfully that these should be allowed only outside. He knows very well that with the drift net system—he knows, as well as a few others who have had the experience—that you could send half a dozen or a dozen or fifty fishermen out of Steveston with a net twice as long as the present regulations allow. They go out into the gulf, and with the ordinary drift of the incoming tide it would not be long before the nets would be across the mouth of the river, and they would block the river.

Mr. REID: But if the tide was going out.

Mr. STEVENS: I am pointing out what could happen, and my hon. friend knows that the fishermen are just cute enough to do that, and I would not blame them for trying. But my hon. friend knows, and I as a member of the government and the minister, must remember that there must be permitted a certain amount of escape up the river.

Mr. HANBURY: Hear, hear.

Mr. STEVENS: My hon. friend from Vancouver-Burrard (Mr. Hanbury) recognizes that. How do we give that escape? By saying that the mesh shall be of a certain size so that the smaller fish can get through. We also give them a way of escape by limiting the size of the gill net so that it will not block the river, and also by saying that they shall fish only six days in the week. We have always reserved Sunday.

Mr. REID: What about seine fishing?

[Mr. Stevens.]

Mr. STEVENS: I am talking about gill nets. I say there must be a way of escape. The seine fishing is out in the open waters. I am not saying that there is not room for dispute regarding seine fishing but the seine fishermen are operating in open waters, and not across the mouth of a river. Take the dragnet system, for instance, which used to be used in my hon. friend's territory. He knows as I know, or as I did up to a few years ago when I was more closely acquainted with it, that we had constantly to watch against a man stretching his dragnet clean across the entrance to a river. It was a common trick if they could get away with it. The officers of the department are constantly on the watch for these little evasions of the regulations. Now the duty of this government, as it has been the duty of the government that preceded us and of governments in this country for the last thirty years, during which this question has come up constantly, is to see that there is a reasonable escape of fish, a reasonable chance for the fish to get into the spawning ground, and secondly to see that as far as possible there is a fair opportunity given to those in the industry to fish. Our further duty, of course, is to do everything we can to maintain our market abroad so that the standard of our fish may be such that it will compete with the catch of other countries. I submit to the hon. gentleman that, joining with my colleague the minister, we will do everything we can to protect the interests of the industry as a whole. It is a difficult question.

My hon. friend says that the fisheries committee has not been called together. I know of no reason why a few members of the fisheries committee should not call it together and discuss these matters. I am not a member of that committee; I used to be years ago, but I do not know of any reason why it could not be called, and certainly there will be no desire to put anything in the way of any useful and intelligent discussion of the industry for the benefit of all those affected.

Mr. WOODSWORTH: If I may ask the minister a question before he sits down, I understood him to say that the canneries, or many of them, were not paying the cost of their operations. Does he mean the actual cost of operating the individual cannery or does he take into account that a large number of the canneries have many branches which are not actually operating at the moment but on which they have to pay dividends?

Mr. STEVENS: I mean both. My hon. friend will not ask me to demonstrate with actual cases, but I am speaking from pretty

general knowledge when I say that there have been seasons in the last ten years, and particularly in the last seven years, when many canneries did not pay the cost of their operations. Individual canneries and canneries which were part of a larger system of canneries did not in many cases pay the cost of their operations, and many firms actually lost on the season's operations, apart altogether from paying anything on capital investment. There has been a very serious and a very unhealthy condition in the business. Personally I think an industry that is healthy is more likely to pay better rewards to those who are working for it than an industry that is crowded and cramped even in meeting its operating expenses.

Mr. NEILL: The same is true of the fishermen. Is not that an argument for some scheme like the N.R.A.?

Mr. STEVENS: There is a good deal in the suggestion of my hon. friend, and it would be interesting if he and a few others would work out a suggested scheme.

Mr. NEILL: It is up to the government.

Mr. STEVENS: Perhaps that is right too.

Motion agreed to, and the house went into committee of supply, Mr. Gobeil in the chair.

DEPARTMENT OF THE SECRETARY OF STATE

Public archives—salaries and to provide for the continuance in office of J. B. Noble, senior bookbinder, from April 1, 1934, to March 31, 1935, $84,312; contingencies, $9,200.

Hon. C. H. CAHAN (Secretary of State): In this vote for the public archives there is a reduction as compared with last year of $3,564 in salaries and $2,800 in contingencies. The reduction in salaries is due to the death of two employees—Miss M. Casey, a librarian, who died on April 16, 1933, and Mr. W. J. Webber, who died on August 20, 1933. Those positions have not been filled up to the present time in view of the financial stringency. No permanent appointments have been made in the department of public archives since 1930, although a number of vacancies have been caused by death. The reduction of $2,000 in the contingency vote is merely a net reduction.

Mr. STEWART (Edmonton): In connection with the two vacancies to which the minister has referred, I assume that under easier financial circumstances they will be filled, as I understand there is a need of these services.

Mr. CAHAN: If our revenues should increase to the standard of a few years ago I believe this parliament should give every reasonable financial support to the maintenance of the public archives. I believe we are laying there a foundation for the future which should not be undermined or weakened.

Mr. CASGRAIN: What is covered by the vote for contingencies?

Mr. CAHAN: We receive many bequests from time to time. We received a very valuable one from the estate of the late William Molson Macpherson, of Quebec. In connection with this bequest I am glad to state that the premier of that province has undertaken to relieve us of the payment of the succession duties. This bequest has added very materially to the value of the archives. If I remember correctly the cost of transportation from Quebec was something like $200. During the past year we have made some most valuable additions to the archives. If I may use his name, Doctor Webster was speaking to me yesterday after having gone through the archives and he stated that he considered a recent acquisition as being one of the most valuable ever made. This particular lot happened to be in the market at a very low price and we bought it. This vote is for such purchases and other incidental expenses as I have mentioned.

Item agreed to.

DEPARTMENT OF FINANCE

Salaries, $372,636; contingencies, $32,500.
Inspector general of banks—
Salaries and contingencies, $22,000.

Mr. STEWART (Edmonton): I suppose the minister does not contemplate any change in the inspection of private banks due to the setting up of a central bank?

Hon. E. N. RHODES (Minister of Finance): The hon. member will realize that the banks will be in existence until the central bank is established and even afterwards. The same amount of inspectorial work will be required.

Mr. WOODSWORTH: Certain items appear in the bank statements with regard to certain amounts being transferred from or to hidden reserves. Are such reserves brought to the attention of the inspector general of banks?

Mr. RHODES: I think I am quite correct in stating that the inspector general has full cognizance of all reserves held by the banks.

Mr. COOTE: I notice in the details of civil government which appear on page 70 an

item of tariff adviser, $12,000. Is this a new officer in the department?

Mr. RHODES: He has been there for a number of years.

Mr. YOUNG: Is it a new office?

Mr. CASGRAIN: Was there not a new office created in the department?

Mr. RHODES: I had Mr. McKinnon in mine. This is a transfer of Mr. Breadner, the former commissioner of customs.

Mr. STEWART (Edmonton): What has he to do with the banks?

Mr. RHODES: He has nothing to do with the banks.

Mr. STEWART (Edmonton): I beg your pardon, this is finance.

Mr. RHODES: His experience will be available for the benefit of not only the Department of Finance but all other departments of government. Through the years he has accumulated a remarkable knowledge of tariff structures and his services are being made available to the government. I regret that I did not anticipate the details of the discussion under this item and I have not full information before me. This item was called merely for the purpose of qualifying the Department of Finance to go into supply on Thursday and Friday. I might state that Mr. Breadner is qualified for full pension which would amount to between one and two thousand dollars less than the salary he now receives. In other words, he could retire tomorrow and we would be obligated to pay his full pension.

Mr. STEWART (Edmonton): May I say that we over here would not mourn his retirement.

Mr. RHODES: I believe that the experience of Mr. Breadner is worth the difference between what he is receiving as salary and what he would receive as superannuation. While there appears to be an increase in the estimates, it is really a transfer.

Mr. YOUNG: May I ask who has been advising the government in the past in these matters?

Mr. RHODES: Mr. Breadner's services have always been available to the government.

Mr. YOUNG: He is doing the same work he was doing?

Mr. RHODES: He was in an administrative capacity in the Department of National Revenue.

[Mr. Coote.]

Mr. YOUNG: He was also advising.

Mr. RHODES: His experience with respect to tariff matters will be made available to all departments of government.

Mr. YOUNG: Is it not a fact that this gentleman has been acting for many years as an adviser on tariff matters and has been responsible for many of the blunders the government has made?

Mr. RHODES: I do not propose to accept the statement of my hon. friend just as he has made it. In his estimation everything that this government does is a blunder. I am willing to go as far as saying that no doubt the government will make mistakes.

Mr. YOUNG: With certain advisers they are bound to.

Mr. RHODES: I do not think there ever will be a perfect government. Mr. Breadner was previously the commissioner of customs and we have in the department Mr. McKinnon, who has been acting as adviser in matters of tariff and taxation. But Mr. Breadner's ripe experience has always been drawn upon by this government and I think by preceding governments.

Mr. STEWART (Edmonton): What is Mr. Breadner's age?

Mr. POULIOT: He is rejuvenated.

Mr. RHODES: I think he is between seventy and seventy-one.

Mr. STEWART (Edmonton): He will be in receipt of a very fine pension, having enjoyed a fairly large salary in the past number of years, upon which of course he will be retired. I ask this question because I am rather curious. The government have been retiring men of sixty-five, and have been doing so pretty generally throughout the country. I have no complaint to offer in that regard, but I am curious to know why this gentleman has been transferred from the position he is in to that of adviser to the Department of Finance. With all due respect to Mr. Breadner, I submit that his qualifications must have related largely to matters affecting the tariff in the department from which he has been transferred. Just why Mr. Breadner, who is long past the age of retirement, should be transferred to another department is to me rather curious. I am going to say very frankly that Mr. Breadner and I never agreed very much on the question of tariffs. I am not complaining about that, though I should not be at all disappointed if he were removed from any connection with

the tariff. I fail to see however where he will be of great value to my hon. friend in the finance department. When so many civil servants are being retired for the purpose of effecting greater economy, it seems to me only reasonable that this gentleman should receive the same treatment. I cannot see that he will be of very much service to the Department of Finance in the capacity of adviser.

Mr. RHODES: As regards those who have been retired at the age of sixty-five, my hon. friend must bear in mind that those only have been retired whose services can be entirely dispensed with and whose positions need not be filled again. There have been hundreds of such cases, where men have been retired at the age of sixty-five and their positions abolished.

Mr. STEWART (Edmonton): That is not the case here.

Mr. RHODES: I am coming to that. Mr. Breadner is not standing in the way of anyone's promotion in the civil service. He might have gone out with his superannuation, but whether my hon. friend agrees with Mr. Breadner's point of view regarding the incidence of the tariff is beside the point; the fact is that Mr. Breadner has accumulated through the years a vast knowledge not only of the operation of indivdual tariff items but of their repercussion upon numerous other items. The tariff structure, whether one agrees with the policy of tariffs or not, has been in existence for years and will continue for many years longer. Certainly if one is to judge by the world trend, whether it be higher or lower tariffs, we shall continue to have a tariff structure; and when you touch a tariff item, though it may look perfectly innocent, and attempt either a reduction or an increase, it is amazing to find the ramifications, in the effect on numerous other tariff items, which a slight change in one item may bring about. It is therefore to make available to the government the knowledge which Mr. Breadner has in that respect that his services can be of peculiar value, especially when it is borne in mind that his services cost the country a very small sum. We thought it in the public interest that it was far wiser, considering the trifling sum involved, to make his experience available to the government.

Mr. STEWART (Edmonton): Then my hon. friend must admit, if that argument is correct, that Mr. Breadner's successor has not the necessary qualifications and cannot be as valuable as Mr. Breadner. Would it not have been better, if that is so, to keep him where he was if he was so valuable in that regard?

Mr. RHODES: My hon. friend is unconsciously confusing two things. The Commissioner of Customs is an administrative officer. Assume for the sake of argument that Mr. Breadner was the best man on earth for the position—

Mr. STEWART (Edmonton): We shall have a difference of opinion on that point.

Mr. RHODES: Quite so; but assuming that he was the best man on earth for the position, eventually he must be replaced. It is therefore far better that he should be replaced by a younger man who can have the benefit of the advice and experience of Mr. Breadner while Mr. Breadner is in a position to give such advice, even though he is not in the Department of National Revenue. So that to that extent it is wise to effect the change. That was the opinion of the government, and I think that their decision was wise in the circumstances. I think it is just such action as my hon. friend would have taken, notwithstanding that his views may differ from Mr Breadner's.

Mr. CASGRAIN: Perhaps I do not hold all the views that Mr. Breadner holds with regard to the tariff, though I may say that in all my dealings with him he was always fair and I was always satisfied with him. What I cannot understand however is why he should have been transferred to his present position. Did the Minister of Finance ask to have him transferred? Who recommended that he should be put in the position he now occupies?

Mr. RHODES: The committee will appreciate the fact that it would be unfair to his successor to have Mr. Breadner remain in the department where he was—

Mr. STEWART (Edmonton): Agreed at once.

Mr. RHODES: —and the only logical place for him was the Department of Finance. I would not say that any one individual I could name was responsible for his transfer, but the minister is prepared to assume the responsibility for it.

Mr. CASGRAIN: Do you approve of it?

Mr. RHODES: I think that on the whole it was a wise decision; I believe it was the proper course under the circumstances.

Mr. CASGRAIN: As a member of the government the minister had to accept it.

Mr. YOUNG: As I understand the situation, Mr. Breadner in the past has been administering a certain department—the Department of Customs—and we know that during his administration he demonstrated a wonderful capacity for interfering with business in this country; there is no calculating how much damage he has done to the trade of the country in that position. Now he is transferred from the position, not of administering the act, but to the finance department where he will make the tariff.

Mr. RHODES: No.

Mr. YOUNG: Is he not to be consulted in framing the tariff, when the budget is drawn up?

Mr. RHODES: Not necessarily.

Mr. YOUNG: Will the minister give an example of some of the questions that will be submitted to him for advice?

Mr. CASGRAIN: What is his work?

Mr. RHODES: I can give an example that has no reference at all to the finance department. In drawing up a treaty—

Mr. YOUNG: A treaty; precisely. He will be making the tariff.

Mr. RHODES: —the Department of External Affairs can call in Mr. Breadner and ask him, "What effect will the lowering or the raising of duties, or a change in the duties on a certain commodity or list of commodities have on trade in Canada?" And he can be asked to prepare a memorandum for the guidance of the government.

Mr. YOUNG: He will always give you the same answer.

Mr. RHODES: My hon. friend must not get into a discussion of the relative merits of protection and free trade and that sort of thing. That is not the point. It matters not what Mr. Breadner's views or those of the government of the day may be; the information which is asked from Mr. Breadner is what the result will be if a certain action is taken. His advice whether the tariff should be raised or lowered is not sought at all. That is beside the point. So far as the budget is concerned, I may say to my hon. friend that I am prepared to assume full responsibility for any changes which I may introduce. I would not for one moment try to hide behind Mr. Breadner or anybody else, but I will consult him from time to time as to what effect certain proposed changes in the tariff may have.

Mr. YOUNG: Is that not the work of the tariff board?

[Mr. Casgrain.]

Mr. RHODES: The tariff board will not be called into conference with respect to the carpentry work of preparing the budget. Certainly we shall have to deal with recommendations that may come from them, but it by no means follows that the minister will not have to have assistance in his office; that will always be the case.

Mr. YOUNG: Is this not the position, that the tariff board will make recommendations, but before the government puts them into effect, they will call in Mr. Breadner and get his advice?

Mr. RHODES: That is not a necessary condition at all. Mr. Breadner may or may not be called in on a given occasion.

Mr. EULER: I happen to have known Mr. Breadner pretty well for a number of years and it is not necessary for me to pay any particular tribute to his qualifications for the office he held. That he had a knowledge of the tariff and of the work of the customs department greater probably than that of any other man in Canada, is entirely without question. I do not think it is quite fair to criticize him in the way he has been criticized. If he has enforced a law which was perhaps wrongly made by the present government, the government and not Mr. Breadner ought to be held responsible. If he has interpreted the Customs Act and the tariff in such a way as to give offence to the hon. member for Weyburn and some others, they should hold not him but the government responsible. As to his appointment to his present position, I have not a great deal to say, although it is probably quite true that out of the wealth of his experience he can be of material assistance by way of giving advice in the technical effects that any changes in the tariff may bring about.

Mr. RHODES: That is the situation.

Mr. EULER: I do not think the government would be doing the right thing if they called Mr. Breadner in now any more than they did before to function in the matter of framing policy with regard to the tariff. When I happened to be in charge of the Department of National Revenue and he was commissioner of customs—and I think he was appointed by the government of which I was then a member—his salary was $10,000 and his superannuation, had he cared to resign, would have been something like $7,000. In the last two years his salary has been $12,000. I question whether the sum given by the minister, I believe quite sincerely, of $2,000 as the differ-

ence between his superannuation and salary, is correct; I think it would probably be nearer $3,000 or $4,000.

Mr. RHODES: At a later stage in the committee I shall give the exact figure, but I can assure my hon. friend that from memory I am fairly well satisfied it is less than $2,000.

Mr. EULER: I am not in any case particularly quarrelling with that; it is quite possible Mr. Breadner could be worth at least $3,000 or $4,000, to put the situation mildly, in the way of giving advice to the government with regard to tariff matters, what effect a change in one item may have upon others. Those who have had some experience with the customs department know that a very real factor in the situation is that one who is not familiar with tariffs and the way in which the department is conducted does not realize how, by making one change, you may upset several schedules and cause a great deal of trouble. Mr. Breadner's advice in that respect may be very valuable. But I say again that I do not think it should be the duty of an administrator to enunciate and put into force policies. That is the duty of the government and of no one else, and the government should take the responsibility as the minister says he is quite willing to do.

Mr. POULIOT: I strongly protest against the first part of the remarks of the Minister of Finance about Mr. Breadner. The reason is this, that he spoke in the tone of one delivering a funeral oration in regard to a man who is alive, who is only seventy-one years old and who is still very active. I know Mr. Breadner personally and I admit he is a very clever, active man and one always well disposed to give information when he is asked for it. But on the other hand it is most curious that this government is asking for an adviser in financial matters after all changes are made in them. All the changes were made without advice; they were all made in 1930 and the former tariff board was thrown out at that time. The same thing applies to 1931 and 1932. Then we come to 1933 when a tariff board is established after all the changes have been made and the government asks for advice—advice after the milk is spilled. That is the situation. I have nothing to say against Mr. Breadner; I would not offend him; I believe he is a good civil servant who may hold wrong views in certain respects, but his views can be discussed in the house only after they have been accepted by the government and therefore I do not see the necessity of the government having an adviser in financial matters after all the wrong has been done. If he drafts a treaty, I wonder why he does not draft one between the hon. member for Weyburn and the Minister of Finance.

Mr. CASGRAIN: Or the tariff board.

Mr. POULIOT: Yes. He would show his skill by drafting such instruments of peace and he could also submit them to the League of Nations. I admit that Mr. Breadner is a very clever man and has rendered good service to the state, but I do not understand why the Minister of Finance and the government should have an adviser in financial matters when they refuse the very sound advice which is offered by all the members of the opposition. Our advice is not so expensive; we give it free and we give it in all candour for the benefit of the government. My point is this: We give them sound advice; it is free to them and they can accept or reject it. They reject it all the time. The hon. member for Weyburn at times gives very sound advice to the government and if the government followed it, Canadian trade would be much better. I understood the Minister of Finance to say that he does not always ask for Mr. Breadner's advice. The minister has a button on his desk. Sometimes he presses it and says "I need Mr. Breadner." Sometimes he does not. But when Mr. Breadner gives his advice, does the minister follow it? If he does not follow it, why? Is he free to accept or reject Mr. Breadner's advice? I believe not. I think, if my hon. friend were free to accept or reject Mr. Breadner's views, this would be much better, but probably, as all of us understand, it is not the views of Mr. Breadner, who knows something, that are imposed upon the government; it is the views of one who knows nothing and decides, with blind eyes and without asking for sound information from anyone, all questions that are submitted to the government.

Mr. CHEVRIER: I understand that while this discussion is taking place, down at the Connaught building a presentation is being made to Mr. Breadner. The words that are being said here and the presentation being made to him there scarcely blend. But I suppose it is the way of the world—sic transit gloria mundi. As to the wisdom of the appointment of Mr. Breadner, opinions may differ. Mr. Breadner has been many years in the service. He is a civil servant and must serve under the law, and if he has made errors in interpretation of the law he has nevertheless given long years of faithful service. This is an-

other instance where it is fearfully hard for a large proportion of those in the service of the government to reconcile certain attitudes taken and certain situations created in the last year or two by the dismissal of employees, the abolition of positions, by superannuation and by many other means of a similar nature. It is extremely hard for some who have laboured hard for many years, just as industriously as Mr. Breadner has, but who have not reached a standard of salary comparable to Mr. Breadner's and that of a few others yet in the public service, to understand why they should be let out and others taken on at salaries four or five times as great, and this is done under the guise—I do not use the word in any unkind way—of economy. People hardly understand that. When the government wants to practise economy it effects a sort of right-and-left, hit-and-miss decrease in the number of employees; some who might well be retired under superannuation, thus saving by their salaries the present salaries of three or four other clerks, are maintained in their positions. These are just suggestions that I want to place before the minister. If he would kindly let the people understand why these things are done it might alleviate the sentiment of, shall I say, hostility that exists towards the retention in the service of certain employees while others are retired.

Mr. RHODES: I have no fault to find with the remarks of my hon. friend, and I hope he will not misunderstand me when I say that the question he raises is an age old question. I have no doubt in the world that the sectionman labouring on the Canadian National Railways at the lowest wage rate, exposed to all weathers and to hazardous conditions, might find it difficult to understand why he should work for $1,000 a year or less, when the president of the railway who rides by in his private car receives a salary of $75,000 a year.

Mr. HANBURY: Or more.

Mr. RHODES: Or more. But there you are. My hon. friend may think that Mr. Breadner is worth the sum he is receiving, or he may not; that is a debatable question. The fact is that that is the salary he receives and has received for a number of years. Furthermore I think in fairness to Mr. Breadner I should say that it is not out of line with the salary which he received and which he could have continued to receive had he stayed in private employment. The only point I wish to make which I did not make before is that we are not establishing a position here. When in the natural course of events Mr. Breadner is no longer with us the post ceases.

We are merely trying to make available to the state, at the small sum involved, representing the difference between his superannuation and the salary which is given, his accumulated wisdom and experience which can be of service to the various departments of the government.

Mr. YOUNG: Since this government took office certain changes have been made in the customs tariff, which comes under the department of my hon. friend the Minister of Finance. Certain changes also have been made in the Customs Act, which comes under the Department of National Revenue. Everyone who has had anything to do with the importation of goods knows that those changes in the customs act have had a more mischievous effect on the trade of the country than even the changes in the tariff. And those changes in the Customs Act were made when the same Mr. Breadner was adviser to the Minister of Customs. After those changes were made and the disastrous effects on our trade were seen, in accordance with promises made at the time of the Ottawa agreements a tariff board was to be set up, and was set up by the government. They chose as chairman of the board a very capable and fair-minded man, and that man said to the commissioner of customs: "Some of the things you are doing are against the law, the law you yourself have made; and you must stop it." What answer does the government make? They take that same man and put him into an advisory position in a department where he can pass judgment on the decisions of the tariff board. I think it is a shameful thing to do.

Mr. LAPOINTE: Hear, hear; that is what has been done.

Mr. RHODES: Mr. Chairman, I hope that the heat engendered by my hon. friend from Weyburn will not unduly affect his system. I assure him it is quite unwarranted by the circumstances. I am quite prepared to discuss tariff matters and the iniquities of this government when we come to deal with tariff items, as we shall at a later stage.

Mr. YOUNG: This is one of them now.

Mr. RHODES: No, this is not a tariff item. I can say to my hon. friend that the governments which he has supported and which I have opposed have taken certain action in regard to tariffs to which I have strenuously objected. That may seem strange to him, yet it is so. But I never for one moment thought of attributing the blame for those things to

one of the officials of the department. May I say to my hon. friend that I would be equally just in blaming Mr. Breadner for the tariff attitude of preceding administrations as he is now in blaming him for any action we may have taken because Mr. Breadner, if I mistake not, was an employee of the government during the whole time it was headed by my right hon. friend the leader of the opposition. I know my hon. friend's opinion of this government is not very high—

Mr. CASGRAIN: No, it is not.

Mr. RHODES: —but he should realize that we are at least capable of making our own mistakes. I may say to my hon. friend, if it is any comfort to him, that the mistakes of this government are made by the government.

Mr. LAPOINTE: Decidedly.

Mr. RHODES: We assume full responsibility for them, and do not think it is fair that any official, of whom there are many hundreds serving this country loyally, should be blamed for the decisions of the government.

Mr. HOWARD: A question was put a minute ago to the Minister of Finance to which he gave an answer. I should like to repeat the question. It is this: does the inspector general of banks know the hidden reserves of the banks and how they are handled?

Mr. RHODES: I can only answer as I did before. I have discussed this matter with the inspector general of banks on different occasions and my information is that he has full cognizance of all the reserves of all the banks. I do not think I can make my answer any more complete.

Mr. COOTE: Before the item carries, in regard to the transfer of Mr. Breadner from the Department of Customs to the Department of Finance, I think it is fair to say that the administrative record of the Department of Customs for the last couple of years certainly justifies the retirement of Mr. Breadner. If it is necessary to keep him in the service I think it is far better to have him in the Department of Finance than administering the Department of Customs. To put the matter briefly, I think Mr. Breadner has influenced the tariff policy of Canada long enough, and for my part I should like to see him superannuated.

Mr. HANBURY: I should like to ask the minister whether under this item we may discuss the salary deduction or reduction in regard to the civil servants?

Mr. RHODES: There will be ample opportunity to discuss that matter at a later stage. If my hon. friend would do so I would prefer that he defer his discussion, because I may say to him that the matter has not been discussed as yet.

Mr. JACOBS: I should like to point out to this committee that if Mr. Breadner was the sinner that he is said to have been, we on this side of the house must share part of that sin. It was the Liberal party that appointed Mr. Breadner, and from the discussion to-day I cannot find that any complaint was made against him during the time he was in charge of the department under the Liberal regime. I think it is unfair, now that he is passing out of the picture, to have criticisms made as to the work which he did. It is quite true, as the Minister of Finance says, that the government is at least capable of making its own mistakes. We all agree with that, but we must never forget that an official is acting under the instructions of the government. The voice is always the voice of Jacob but the hands may be the hands of Esau. In that respect I would say that the hands of Mr. Breadner, under both the Liberal and Conservative regimes always have been the willing hands of Esau.

Let me say, Mr. Chairman, that I have had relations with Mr. Breadner for very many years, and as an administrator I have always found him efficient, and an affable gentleman as well. He was able to establish very pleasant contacts with the public. I do not think any man ever left his presence without feeling that he had been treated in a most gentlemanly way, not that he got by any means what he wanted, but at least he felt that he was getting a square deal and fair play. I think that is the general consensus of opinion, and I would say that Mr. Breadner, with all his experience covering a period of thirty-five or forty years, is worth the couple of thousand dollars he is now receiving from the department and the government. In fact I feel that if the union found that he was getting a mere pittance of $2,000 the government might be brought before the proper tribunal for employing people at what we might call Chinese cheap wages. Either he is worth what he ought to get or he should be retired altogether. For $2,000 you cannot expect a man to give you $12,000 worth of work. I am rather against the principle of employing a man at less than a decent salary; either he is worth $10,000 or $12,000, as the case may be, or he should be retired. I think it may be generally said, however, that everyone will think of Mr. Breadner in the most pleasant

way. I do not say that I agree with his policies, if they can be called policies, because after all he was merely carrying out the wishes of the administrations which employed him. I think it would have come with better grace from those on this side of the house who have criticized him if they had criticized him also for the period during which he was employed under the Liberal regime.

An hon. MEMBER: We held him down.

Mr. JACOBS: I do not think we held him down. Those of us who know Mr. Breadner will admit that he could not be held down; he had strong views to express and he expressed them to all and sundry. During his term of office it is well known that he organized the income tax department as well as the excise department, with everything which that entailed during the wild liquor orgies which were going on across the border during the so called prohibition days, and there was no man who was busier with his duties than Mr. Breadner was. There has not been a word of complaint with regard to Mr. Breadner during the time the Liberal regime employed him, so he could not have become such a terrible person immediately he was taken over by the Conservative administration. Either he is a good man now or he was not a good man then. I do not like to see these distinctions made between parties when it comes to the retirement of an official who has been in the employ of the government for well nigh forty years.

The CHAIRMAN (Mr. Gobeil): Shall the item carry?

Mr. COOTE: I was just going to ask the minister whether there will be another item under which we can secure some further information, because I wanted to ask about the gold that has been exported by the banks in the last year.

Mr. RHODES: Yes, there are a number of other items, and there will be the supplementaries as well. I do not press the item if the committee does not wish to pass it.

Mr. STEWART (Edmonton): I think the item should stand, because I have some remarks to make.

Mr. RHODES: Very well.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

[Mr. Jacobs.]

After Recess

The house resumed at eight o'clock.

IMMIGRATION ACT

PROPOSED AMENDMENT WITH RESPECT TO DEPORTATION OF IMMIGRANTS CLASSIFIED AS PUBLIC CHARGES

Mr. A. A. HEAPS (North Winnipeg) moved the second reading of Bill No. 14, to amend the Immigration Act.

He said: I have just a word or two to add to the remarks I made yesterday on the introduction of this bill. As I then stated, the main purpose of this amendment is to make it optional, instead of obligatory as it is at present, for the local authorities to notify the federal government when a person becomes a public charge. The proposed change does not seek to amend in any way the definition of a "public charge." As a result of the unusual conditions and the amount of unemployment prevalent throughout this country there has arisen a situation which I do not think was anticipated at the time the act was drafted. There is a vast number of men at the present time who are compelled to seek public relief, and, who thereby become a public charge absolutely through no fault of their own but mainly because of economic conditions. It appears from what I understand of the situation that many of the municipalities do not seem to be anxious to notify the federal government of such persons who have become a public charge by being in receipt of unemployment relief, but they claim that in view of the present wording of the act they are compelled to notify the federal authorities. I also understand that in most cases in which they have been so notified that persons have become a public charge by the acceptance of unemployment relief, the federal government has taken no action. There is no doubt that great hardship may be inflicted on many of these individuals, many of whom have come to this country in good faith in the hope of obtaining work, but who unfortunately now find themselves in the ranks of the unemployed. Some of them have come here with fairly large sums of money, and now that their own savings have vanished they are compelled to seek assistance from the public authorities, and in many cases the threat has been held over them that if they accept unemployment relief they will be subject to deportation by the federal authorities. I think one of the most cruel things in connection with these cases is that this threat

of deportation is held over the heads of many persons who are really of excellent character. The change which I am proposing and asking the house to accept would make it optional for the local authorities to notify the federal authorities as to a person becoming a public charge.

I think that this change is desirable for another reason, and that is that our local authorities are the best judges of who should be subject to deportation. They are in a much better position to understand the local situation than the federal authorities at Ottawa, and if the change I am proposing is accepted it would relieve the local authorities of a great deal of the trouble to which they are now put in notifying the federal government, and relieve also the federal government from taking action in the matter. I think that the minister will realize that it is a very reasonable request I am making at this time, and he must also be aware of the vast amount of trouble that is caused by making it obligatory upon the local authority to notify the federal Department of Immigration of these cases. I therefore trust that the minister and the house will accept the amendment I am proposing to section 40 of the Immigration Act.

Mr. BRADETTE: How is it proposed to deal with persons in the unorganized districts such as in our part of the country?

Mr. HEAPS: The recipient of public relief in an unorganized district will be in exactly the same position under this amendment as he is now.

Hon. W. A. GORDON (Minister of Immigration): Mr. Speaker, this bill seeks to amend section 40 of the Immigration Act by striking from the section the words "public charge or" in order to remove from the operation of the section those who now are liable to be returned to their country of origin by reason of becoming public charges.

It must be borne in mind that every country in the western world, because those are the countries where migrants in any numbers go, has laws very similar to the laws of this country, bringing within what are called the undesirable classes the same sort of persons as are described in section 40 of our Immigration Act. Under that section as it stands at present, when a person who has been in this country less than five years, becomes a public charge, that is, when he has to be kept by his fellow taxpayer, it becomes the duty "of any officer cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the minister, giving full particulars." Then upon the minister receiving the complaint the situation is reviewed, and if it appears in the judgment of the minister that the alien who is here, let us say, on probation, because that is really what it means, is undesirable by reason of his being a public charge, deportation may be ordered. I have some sympathy with the hon. member who sponsors this resolution (Mr. Heaps), perhaps because of the local situation in the city which he represents, but the change that is sought would remove a person who becomes a public charge from the operation of this section, and it would then no longer become the duty, under the statute, of the clerk of the municipality or other officer cognizant of the facts to report the situation to the federal department. It would be left to the discretion of the clerk of the municipality or other official whether to do it or not. In other words, a different sort of law might prevail in every municipality in Canada because I think no one will disagree with me when I say that the clerks of the municipalities throughout Canada are not likely to adopt a uniformity of view. It is left to their discretion, perhaps on the assumption that they are discreet. The exercise of discretion placed in the hands of municipal officials in the various municipalities throughout Canada in a matter of this kind, I greatly fear would take away any possibility of uniform application of the provisions of the Immigration Act.

The hon. member said that the threat of deportation is held over the heads of those who are public charges. That statement has been made before and on a number of occasions I have investigated to see whether it is a fact. My investigations did not reveal that that position has been established.

I appreciate that there may be desirable people from other lands who have not yet acquired Canadian domicile and who may be at present unemployed through misadventure or other causes. It is possible that such people may have to seek relief but I can assure hon. members that if on review of the facts—it is my duty to review the facts in such cases, and I do it—it is found that there is even a possibility of the alien being absorbed into gainful occupation, this section will not be invoked. I recognize the difficulty which certain people have in procuring employment in certain sections and at times I have had our officers endeavour to find employment for those who are unable to take advantage of opportunities which might present themselves to others more active. It is possible that a

clerk of a municipality, exercising the discretion with which he is invested under the terms of this proposed measure, might come to the conclusion that for certain reasons an alien should not be reported. He might even go further and make it known that his particular viewpoint was that none of these people should be reported, not even the malingerers. It must be remembered that the discretion would lie solely in the clerk of the municipality. Even his own council would not be able to advise or point out the direction in which his discretion should go. If it became known that there was a municipality with a clerk of that turn of mind and the clerk in an adjoining municipality was of a different turn of mind, the whole purpose of the act could be defeated by merely moving to the favourable locality.

Mr. NEILL: How long would a man last as clerk if he did not carry out the wishes of the council?

Mr. GORDON: I do not know. I can only answer the hon. member for Comox-Alberni (Mr. Neill) that there would be confusion. I have no doubt that mistakes have been made; I am as liable as any hon. member to make mistakes, probably more so, but I would be glad to have any injustices drawn to my attention. Under the present law when an alien who has been legally admitted has been in this country for a period of five years he is beyond the reach of this section of the act.

Mr. FACTOR: After he is naturalized?

Mr. GORDON: Not at all, after he has acquired Canadian domicile. If I pursue the course which I hope to be able to pursue for a considerable time, this situation will correct itself. In another year those who have not been returned to the land of their nativity will have been here long enough to acquire Canadian domicile. I am against this measure as it would remove from federal authority all control over those aliens who are at present a burden upon the shoulders of the Canadian taxpayer. I am sure there are many municipalities which would not welcome a departure from the act as it is now framed. Therefore, I move, seconded by the Solicitor General (Mr. Dupré):

That this bill be not now read a second time but be read a second time this day six months hence.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I am sorry the Minister of Labour (Mr. Gordon) has taken the stand he has in connection with this bill, as it means its end. I cannot agree that it would have all the ill effects which he claims it would. The fact that the reporting of these men is optional would, under ordinary circumstances, suffice. We must remember that men who are on relief are on relief at the expense of the municipality. I have never heard yet of a municipality that was anxious to pay relief. If a clerk in defiance of his council insisted upon not reporting these men, the council would have authority to deal with him. It is not as if it were suggested that there should be no reporting, because it would be found that whenever necessary and advisable cases would be reported. But the fact that it is made compulsory leads to unfair conditions. The minister speaks about the alien and rather plays on that word, and we have the picture of someone perhaps from Jugoslavia. But we must remember that people born in Britain come under the section, and they are alien in the sense that they have not been here five years.

The minister defies anyone to cite an instance of injustice having been done as a result of the act being invoked. I think he used the wrong word; if he had said being enforced, I think he would have been right. His discretion has been admirable, and I have no complaint in that regard. I have in mind a particular case where I myself brought the circumstances to his attention and his officials acted with promptitude and fairness. It is true that he will use his discretion wisely, but the point is that the clerk is compelled to denounce this man, so to speak, and this leads to a great deal of trouble and anxiety. I have in mind an instance in my own district of a very decent man and his family who were going to be deported because he had received relief to a trivial extent—it did not exceed $20. He had been four and a half years in Canada and was therefore liable to deportation. He was a mechanic and a good mechanic, and had worked at his trade, but owing to the depression he had lost his job, and he was doing his utmost, as I was able to verify, to make a living somehow. He was not insisting upon working at nothing but his trade, because he was anxious to get a job of any sort; he showed a disposition to take anything, however small the wage, in order to help matters along. There was no disposition on the part of the clerk of the council or of his neighbours or of anyone else to have the man deported; yet according to the law which it is now sought to amend he had to be denounced to the government. He was not familiar with the law; he did not know that if he appealed to the minister he would eventually be dealt with fairly. The result was a great deal of anxiety for him and his

family. There were special circumstances that rendered deportation very harsh and not only the man himself but other people as well were put to a great deal of trouble bringing the real circumstances to the attention of the minister, whose action then was all that could be desired. There was no suggestion of complaint in that regard, but the fact remains that there was a good deal of unnecessary trouble, inconvenience and anxiety. The danger which the minister seems to apprehend is that habitual loafers and undesirable people generally will not be reported. But as I said at the beginning there is no danger of that, because the people out of whose pockets the money comes to keep such men on relief will see to it that if the clerk does not report the circumstances he will be made to do so. I am simply expressing my regret that the minister takes the view he does. I do not think that the hon. member responsible for the bill before us suggests that there was any harsh dealing on the part of the minister, but it does create a lot of trouble for people when a man is denounced, so to speak, although no one has any wish or desire to deport him.

Mr. SAMUEL FACTOR (Toronto West Centre): The difficulty about the present act is that the term "public charge" is not defined, and the result is that a newcomer to the country, whether from foreign lands or from the British Isles, if he has not acquired domicile, and receives unemployment relief, is subject to be reported by the officer of the municipality to the Minister of Immigration. Now, no one quarrels with the minister's administration of this law; indeed, I want to commend him for the humane way in which he has administered it. But why should it be incumbent on the clerk or officer of the municipality to report every case in which a man is receiving relief by reason of the present economic conditions, thus burdening the minister with the review of all these cases? The bill suggested by the hon. member for North Winnipeg (Mr. Heaps) relieves the minister of a certain burden. It places the burden on the municipality, which is more thoroughly acquainted with each individual case, to see whether a man who is in receipt of relief is a law-abiding citizen, conscious of his duties and responsibilities; and if his only sin is the receipt of unemployment relief, surely the municipality, the clerk or the officer, is in a better position to judge whether or not he should be reported. It leaves this discretion with the municipality.

In my humble opinion, it is our duty even under present conditions not to decrease the population of the country. On the contrary, I think the time is coming when some constructive policy of immigration will have to be put forward. If we expect ever to carry the tremendous burden of taxation which we have in this country, and to solve the railway problem, we must see that Canada has a greater population than at present. I think that the bill is a move in the right direction. It will not help the malingerer; it will not help the man who runs counter to the laws of the country, but will meet the legitimate case of either the Britisher who has not acquired domicile or the foreigner who under present abnormal conditions is in receipt of unemployment relief, and who will be given an opportunity to be judged by an officer of the municipality, a man thoroughly acquainted with the conditions in the place, and who knows whether the person affected should be reported to the minister. I am really surprised that the government are opposing the bill, and I trust that the matter will receive their very careful consideration.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): It seems to me very regrettable that the Minister of Immigration (Mr. Gordon) is apparently determined to keep this law in its present form, for there is not the slightest doubt that it is a harsh piece of legislation. It may be true that the minister is now called upon to undo some of the blunders of an earlier administration. We remember that for a great many years this country spent millions of dollars in inducing immigrants to come here. Millions of people came, and generally the policy of the wide-open door was accepted by our people. Immigrants came in very large numbers from the British Isles and the continent of Europe. Only those of us who have been closely in contact with individual immigrants can form any idea of what it meant even for one family to break up home in the old land, to sever the ties that had bound them to their home for so many years, and to migrate to this country where they thought they would have an opportunity of earning a living. Fifteen years ago, even ten years ago, large numbers of them believed that this was the land of hope and that there was every opportunity here for a man at least to earn a livelihood, if not to make a fortune. But times have changed. To-day we have 1,220,000 persons on relief in Canada. We all recognize the seriousness of that situation. This large number includes many who are comparatively newcomers; indeed, the proportion of new-

comers on relief is greater than that of old-time residents. This is not to be wondered at because the newcomer finds it more difficult to establish himself. In hard times he has not the reserves that the older Canadians have acquired, and so among this huge number of persons on relief are many who have come here in comparatively recent years and who have not been able to establish themselves.

The minister perhaps was not quite fair when he used the term "alien." As the hon. member for Comox-Alberni (Mr. Neill) has suggested, that word carries with it certain implications that are not very generally acceptable. It may be that within this group there are some from continental Europe, but I would remind the house that those people came here on our solicitation; they came with our full consent and they ought not now to be treated unfairly when they, together with many others in the country, are suffering. But in addition to those who have come from continental Europe, there are very large numbers of our own flesh and blood who have come from the British Isles; indeed, the larger proportion of those who have been deported have been British born. It may be true that they ought never to have come to this country, but we asked and permitted them to come. They are here, and now, with the depression, they are suffering and suffering more keenly than the rest of the population.

Last year, in an effort to reach some sort of justice in this situation I introduced a bill. My bill provided for a definition of the term "public charge." It may be all very well that people who have come to this country who are paralytic or insane and in some way have managed to get by the immigration officials ought not to be permitted to become a permanent charge upon our public institutions. In my bill of last year I made an effort to define "public charge" in such a way that those who would come under public assistance merely on account of lack of employment would not be regarded as public charges and so would not come under the provisions of this act. My bill was not acceptable to the minister. I know there are difficulties in the way of defining the term "public charge." This year my colleague has sought to obtain some redress, not by defining "public charge," but rather by a little change, what we thought was a very slight one, by which the initial responsibility for action that might lead to deportation would rest with the municipality in which the man resided. Surely the officials of the municipality are in the best position

to know whether a man is likely to become a good citizen; they know the whole of the circumstances connected with his having to receive assistance, and so this bill would provide simply that report would be optional.

Again let me say that the minister was hardly fair when he insisted so much upon the officials of the municipality doing all this, and upon the discretion of the officials. It is really the discretion of the municipality, and when, in the judgment of the municipality itself, it is thought that the man should be carried by the municipality and would ultimately make good, then it is not necessary that he be reported. I would point out to the minister that when the municipality is not satisfied or cannot any longer carry the man, the final decision as to deportation still rests with the minister. But the whole question is this: Is the man likely to make good? The minister, if I caught him aright, has said that nobody is deported simply because he has come on relief. The minister may be of that opinion, but I doubt very much if that is in accord with the fact. If I recall aright, only a few weeks ago, from our own city of Winnipeg there was a case where there was a reversal of the opinion of the department with regard to certain people slated for deportation. I think representations were made by the mayor of the city; I know there was a good deal of public indignation as to the law as it exists to-day and both of our daily papers urged very strongly that some changes along the line that we suggest should be made in the law.

If the minister says his general policy is that a man is not to be deported solely on the ground of his receiving relief, the question is: Who is and how is anyone to determine whether the man can be reabsorbed in our industrial life? Such absorption might be comparatively easy under normal circumstances, but it is not easy to-day when we have tens of thousands of our young people going out of our schools and universities unable to find a place in our industrial and commercial life. How can anyone say that men now liable to deportation would not under normal circumstances be capable of being absorbed into our industrial life? I can understand, in the case of men having criminal records or being malingerers, it might be a good thing to get rid of them, but there are thousands of others who, if we had normal times, would become as good citizens as any of us in the house, and under such circumstances it is not fair to deny to those whom we have invited to come here, an opportunity of making good. It is not generous or fair for us as Canadians, as

soon as we get into a jam, to throw back those people who have come to us in all good faith. I hope the minister will see his way to reconsider his position in the matter.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, as I read Bill No. 14 introduced by the hon. member for North Winnipeg (Mr. Heaps), it contains two provisions, the first being section 40, subsection (1), which eliminates the words "public charge of", and the second being subsection (2) where specific provision is made, as I understand the matter, for discretion being given to the municipality to notify the Minister of Immigration in regard to those who are public charges. I quite agree with the hon. member for Toronto West Centre (Mr. Factor) that one of the fundamental weaknesses of the situation is that the term "public charge" is not defined. I recall very well a year ago when the hon. member for Winnipeg North Centre (Mr. Woodsworth) endeavoured to define "public charge", it was not exactly a successful experiment. Personally, I am entirely in favour of the bill as introduced. I do not wish to make the slightest criticism of the Minister of Immigration (Mr. Gordon), but I suggest that the municipality, the officers of the township or community in which the man who is on relief resides should be in the best position to judge as to his character, ability and qualifications generally for Canadian citizenship. I think this house should endorse with unanimity the proposal that humanitarian discretion may be exercised by the municipality, as against the possible arbitrary action of the Minister. I am not suggesting the slightest condemnation of the minister, but I happen to know personally of certain cases of men who just by accident were on relief in Vancouver, though having very good prospects of gainful occupations in the not distant future; but when under the mandatory nature of the existing legislation complaint is made by the municipality to the minister he or his departmental officials immediately act, as the present law requires them to do.

Mr. BENNETT: Does not the municipality thereby exercise the very discretion that this bill seeks?

Mr. MACKENZIE (Vancouver): Certainly not.

Mr. BENNETT: Why not?

Mr. MACKENZIE (Vancouver): My suggestion is this, and I shall be glad to be corrected by my right hon. friend if I am wrong; that under the act as it now stands it is mandatory under section 40 as long as you put the words "public charge" or "under section 40" that the municipal officials shall report. Thousands of my own compatriots from the highlands of Scotland have been deported under the phraseology of this most iniquitous statute.

Mr. LAPOINTE: Shame.

Mr. MACKENZIE (Vancouver): Look at the figures of last year and you will find that what I say is true. I agree for once in my life with my hon. friend the leader of the C.C.F. Give these men a chance and they will become some of the finest citizens—

Mr. YOUNG: Give them a change of government.

Mr. MACKENZIE (Vancouver): The change of government will come anyhow.

Mr. GOTT: Your time in the government will not be long.

Mr. MACKENZIE (Vancouver): I wonder if the house really appreciates the significance of this amendment.

An hon. MEMBER: No.

Mr. MACKENZIE (Vancouver): No. I suppose many over there do not want to. But my right hon. friend said, and I believe in perfect good faith, that under the present legislation the municipal officers have the discretion.

Mr. BENNETT: No, that is not what I said. The fact that they report the matter is in itself an exercise of discretion.

Mr. MACKENZIE (Vancouver): No, Mr. Speaker, there is no man in this house knows better than the right hon. Prime Minister, because he is a very distinguished legal gentleman, the difference between the words "shall" and "may." The municipality has no discretion. They report to my hon. friend the Minister of Immigration and Colonization, that so-and-so, whether he comes from the highlands of Scotland or Lancashire or wherever it be, is an alien, that he is a public charge, is on temporary relief. What does the minister do? His officials immediately act and examination of that man is ordered. Sometimes for weeks and weeks on end these deportation proceedings are held over his head; the man is kept in suspense—I know this of my own knowledge; he does not know what his fate is going to be, whether he is to be privileged to live in this dominion or is to be sent back to Scotland or England or any country in Europe. All that the mover of this resolution asks, and wisely asks is: Why not give this discretion to the city of Van-

couver, or the city of Regina, or the city of Winnipeg? They know the man and his character through their community organizations, through the Red Cross or the charitable institutions; give them the discretion to report if they see fit that this man may be a permanent public charge on the Canadian people, and then let the minister and his myrmidons carry out the decrees of the Immigration Act. But I say, sir, that the bill proposed by the hon. member for North Winnipeg is a humanitarian amendment to the present immigration law, and I trust that all who want to see good decent citizens from Scotland or Ireland or England or Europe allowed to stay to build up this Canada of ours will support the bill of my hon. friend.

The house divided on the amendment (Mr. Gordon) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Anderson (Halton)
Arthurs
Baribeau
Beaubier
Bennett
Beynon
Bourgeois
Bowen
Bowman
Boyes
Burns
Bury
Cahan
Cotnam
Cowan (Long Lake)
Davies
Dickie
Duguay
Dupré
Duranleau
Embury
Fortin
Fraser (Cariboo)
Geary
Gordon
Gott
Hay
Lawson
Loucks
Macdougall
MacLaren
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
McLure
Maloney
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Porteous
Price
Ryerson
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spankie
Spence
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Nelson)
Swanston
Thompson (Simcoe East)
Thompson (Lanark)
Tummon
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Wright—71.

NAYS

Messrs:

Beaubien
Bothwell
Boucher
Bourassa
Brown
Butcher
Carmichael
Casgrain
Chevrier
Coote
Deslauriers
Duff
Dumaine
Euler
Factor
Fafard
Ferland
Fiset, Sir Eugène
Fournier
Fraser (Northumberland, O.)
Gardiner
Garland (Bow River)
Gershaw
Golding
Gray
Hanson (Skeena)
Heaps
Hurtubise
Jean
Kennedy (Peace River)
Lucas
MacInnis
Mackenzie (Vancouver Centre)
Macphail, Miss
McKenzie (Assiniboia)
Mercier (Laurier-Outremont)
Mitchell
Motherwell
Munn
Neill
Reid
Rutherford
St-Père
Spencer
Woodsworth
Young—46.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Arsenault
Baker
Barber
Barrette
Bell (Hamilton)
Bell (St. Antoine)
Bell (St. John-Albert)
Black (Halifax)
Cantley
Casselman
Charters
Cowan (Port Arthur)
Dorion
Edwards
Esling
Gagnon
Ganong
Garland (Carleton)
Gobeil
Guthrie
Hackett
Hanson (York-Sunbury)
Harris
Johnstone
Jones
Kennedy (Winnipeg)
Laflèche
Larue
Laurin
Lennox
MacDonald
Macdonald (Kings)
McDade
McGibbon
Morand
Mullins
Murphy
Nicholson
Perley, Sir George
Pettit
Quinn
Rhodes
Ross
Robinson
Rogers
Rowe
Rinfret
Bertrand
Totzke
Rhéaume
Mercier (St. Henri)
Dubois
Raymond
Dubuc
Cardin
Howard
Taylor
Ilsley
Verville
Elliott
Hanbury
Boulanger
Michaud
Goulet
King
Lapointe
Perras
Veniot
Jacobs
Donnelly
McLean
McIntosh
Girouard
Thauvette
Fontaine
Pouliot
Urquhart
Ahearn
Dupuis
Power
Parent
Howden
Stewart (Edmonton)
Bradette
Marcil
Bouchard
Irvine
Ralston
Roberge
Desrochers
Speakman
Lacroix

Sauvé	Séguin
Senn	Sanderson
Short	Heenan
Spotton	MacMillan (Mackenzie)
Sproule	Luchkovich
Stevens	Malcolm
Stinson	Hall
Stitt (Selkirk)	Weir (Macdonald)
Sullivan	Brasset
Sutherland	Moore (Ontario)
Tétreault	Denis
Turnbull	McPhee
Wilson	Vallance.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted against the amendment.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted, I would have voted against the amendment.

Mr. STINSON: I was paired with the hon. member for South Bruce (Mr. Hall). Had I voted, I would have voted for the amendment.

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted, I would have voted against the amendment.

Mr. ILSLEY: I was paired with the hon. member for Port Arthur-Thunder Bay (Mr. Cowan). Had I voted, I would have voted against the amendment.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted against the amendment.

Mr. BENNETT: I have a sessional pair with the right hon. leader of the opposition (Mr. Mackenzie King). I voted without noticing that this was a motion on which the pairs counted, but through the courtesy of my hon. friend from Compton (Mr. Gobeil), who refrained from voting and paired his vote with that of the leader of the opposition, there has been no change in the vote.

Mr. McPHEE: I was paired with the hon. member for Regina (Mr. Turnbull). Had I voted, I would have voted against the amendment.

Mr. HANSON (York-Sunbury): I was paired with the hon. member for Gloucester (Mr. Veniot). Had I voted, I would have voted for the amendment.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the amendment.

Mr. PARENT: I was paired with the hon. member for East Essex (Mr. Morand). Had I voted, I would have voted against the amendment.

Mr. BAKER: I was paired with the hon. member for Prescott (Mr. Bertrand). Had I voted, I would have voted for the amendment.

Mr. BARBER: I was paired with the hon. member for Humboldt (Mr. Totzke). Had I voted, I would have voted for the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted to give the bill the six month's hoist.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke ((Mr. Howard). Had I voted, I would have voted for the amendment.

Mr. HACKETT: I was paired with the hon. member for Wright (Mr. Perras). Had I voted, I would have voted for the amendment.

Mr. EDWARDS (Waterloo): I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted, I would have voted for the amendment.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted, I would have voted against the amendment.

Mr. BRADETTE (Translation): I was paired with the hon. member for Algoma East (Mr. Nicholson). Had I voted I would have voted against the amendment.

Mr. FONTAINE (Translation): I was paired with the hon. member for Jacques Cartier (Mr. Laurin). Had I voted I would have voted against the amendment.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Athabaska (Mr. Girouard). Had I voted I would have voted for the amendment.

Mr. LARUE (Translation): I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Thauvette). Had I voted I would have voted for the amendment.

Mr. VERVILLE (Translation): I was paired with the hon. member for Quebec-Montmorency (Mr. Dorion). Had I voted I would have voted against the amendment.

Mr. DUPUIS (Translation): I was paired with the hon. member for Northumberland (N.B.) (Mr. McDade). Had I voted I would have voted against the amendment.

SUPPLY

DEPARTMENT OF EXTERNAL AFFAIRS

The house in committee of supply, Mr. Hackett in the chair.

External Affairs—publications of league of nations for distribution to members of parliament and a grant to the league of nations society in Canada, $3,000.

Mr. BENNETT: This is merely one item in order that the estimates of the department may be before the committee. It is an incontrovertible item.

Item agreed to.

International Customs Tariffs Bureau, $2,700.

Mr. MERCIER (St. Henri): Why is there a reduction in this item?

Mr. STEVENS: This is the fee that we pay to the international bureau. It varies slightly but is approximately the same from year to year.

Item agreed to.

Board of Railway Commissioners—maintennace and operation, $232,172.

Mr. STEWART (Edmonton): Would the minister explain the reduction of $17,000 odd?

Mr. MANION: We asked that the board of railway commissioners carry out, if possible, economies, just as different departments of the government were trying to bring about a general reduction in expenses, and the board has been successful in cutting down its expenses by about $17,000.

Mr. EULER: Is the board subject to the deduction of ten per cent of salaries?

Mr. MANION: Yes.

Item agreed to.

Mr. GARDINER: May I make inquiry, Mr. Chairman, how many departments we have entered already?

The CHAIRMAN (Mr. Hackett): Three.

Mr. GARDINER: More than that, I think.

Mr. CASGRAIN: I think so.

Mr. GARDINER: Might I have an answer before you proceed further, Mr. Chairman?

The CHAIRMAN (Mr. Hackett): Secretary of State, Finance, External Affairs, Justice, Public Works, Trade and Commerce.

Mr. GARDINER: That is six departments. I think that is enough for one day. May I suggest that the Prime Minister be satisfied?

Mr. BENNETT: We said that we were going to take supply to-day. We can take an item in one department and then continue to the next.

National Revenue—salaries, $820,395; contingencies, $50,000.

Mr. CASGRAIN: I think we are taking too many departments to-night. I would like to know where we are going and where we are at, Mr. Chairman. We hear one department called after another, and pretty soon all the departments will have been in to-night.

Mr. BENNETT: I intimated, Mr. Chairman, last evening, that we would commence at the extreme left and take the various departments until we had exhausted them. We have now taken the Secretary of State, Finance, External Affairs, Justice, Trade and Commerce, Public Works, National Revenue, and presently we will take one or two more.

Mr. STEWART (Edmonton): Was it agreed to go into all the departments to-night?

Mr. BENNETT: What I said was that we would proceed from the extreme left down to the end. It may well be that we shall not finish them all, but we will discuss them.

Mr. STEWART (Edmonton): This is certainly unusual, to select a non-contentious item in each department and put all the departments into supply to-night. It means that on any future day any department can be discussed on any day of the week.

Mr. BENNETT: Why not?

Mr. STEWART (Edmonton): I have no particular objection, but I do want to call attention to the fact that the method which is being pursued to-night is quite unusual.

Mr. BENNETT: I think not. I think on a moment's reflection my hon. friend will see that this is quite in order. We cannot go into supply except on Thursdays and Fridays without a motion being made. Therefore the opposition is deprived of no right to move any amendment they desire to move on the motion being made to go into supply. Any grievance can be discussed on the motion for the Speaker to leave the chair for the house to go into supply. What we are doing

to-night is merely to prevent the possibility of there being any difficulties in connection with the transaction of public business. I think if the hon. gentleman will look at it he will agree that that is the proper course to take, for no effort is being made to pass highly controversial items. An item is being selected in each department about which there should be no controversy, and taking the departments in this way, if it should be more convenient for the opposition on any day in the future to have one department called rather than another, it will enable us to suit their convenience as well as our own in taking that particular department.

Mr. STEWART (Edmonton): I quite agree, but it is entirely departing from the usual custom. I have never known it to be done before in all the thirteen years I have been here. I have known four or five different departments being put into supply on the one evening, but not all the departments. I do not say that there is anything particularly wrong about it, but I do maintain that it is quite unusual, and it is giving the government the opportunity to take any department in the future on any day in the week. That is the difference. So far as I am concerned I am perfectly willing not to be too critical about the departments being entered, but I do want to draw attention to the fact that it has never been done before to my knowledge.

Mr. MACKENZIE (Vancouver): May I, with the permission of the house, recall what the Prime Minister said last evening? Questioned by my right hon. leader he said:

> Mr. Bennett: For the purpose of getting several of the departments into supply, while an item may not be passed it was concluded that we would discuss two or three or four departments if possible, so that the business of the house might be expedited. We will start at the extreme left, take the Department of State, the Department of National Revenue, the Department of Finance and the Department of Justice, Public Works now being before the committee, for the purpose of getting sufficient before the house to expedite the business.

I think all those departments have been taken now.

Mr. BENNETT: That is all we are doing now, taking up the business of the country.

An hon. MEMBER: Seven departments have been taken now.

Mr. BENNETT: What difference does that make? We have items to be discussed, and if hon. gentlemen desire they can discuss them from now until eleven o'clock. The remedy is in hon. gentlemen's hands.

Mr. VENIOT: May I ask the Prime Minister this question? Suppose all the departments are gone into to-night, and next Tuesday you do not choose to take up supply. On Thursdays and Fridays you can go into supply without a motion, and we would be prevented from moving an amendment. If we go into supply only on the days when no motion is necessary those who have a grievance to present are prevented from doing so. The government may choose to have no supply on Tuesdays during the whole session, and members who have a grievance would be deprived of bringing it before the house.

Mr. BENNETT: I cannot conceive of that happening.

Mr. VENIOT: It may happen.

Mr. BENNETT: It always might have happened.

Mr. STEWART (Edmonton): Certainly not.

Mr. BENNETT: Might I put it this way? Perhaps the committee will accept the view of so eminent an authority as Mr. Gladstone, who said that you must never take an extreme case as a test of what might be done. You must look upon it reasonably. No one has suggested that we go into supply on the Post Office Department to-night, or Agriculture or National Defence.

Mr. MACKENZIE (Vancouver): I understood the right hon. gentleman to say that we were going to take up two or three more departments to-night.

Mr. BENNETT: Since the rules were changed to permit the house to go into committee of supply on Thursdays and Fridays without motion put, there has never been any dispute. If all the departments have previously been considered by the committee, the government can deal with them all on Thursdays and Fridays. That has always been the case. There is nothing new in what my hon. friend from Gloucester (Mr. Veniot) says. The rule has been there always since we had the new rules, but no one has suggested that because the rule might be used in that way, that it therefore would be. Hon. gentlemen opposite can prevent it; all they have to do is talk, and from what I have seen, there should be no difficulty on that score. All they have to do is to follow their usual tactics and all will be well. The situation at the moment is that we are going on with an item in one of the departments already in; the item has been called and the committee proceeds with it.

Mr. MACKENZIE (Vancouver): Would the minister explain the details of the increase and decrease in this vote?

Mr. GARDINER: Before the minister replies, would he mind telling us just what item we are considering so we will know what we are talking about?

The CHAIRMAN (Mr. Hackett): It is item 18, page 8, and the details will be found on page 85.

Mr. MATTHEWS: The hon. member will observe that there is a decrease in salaries of $46,593 and an increase in contingencies of $10,000.

Mr. STEWART (Edmonton): As this is the first item submitted in which civil service salaries are concerned, may I inquire if it is the intention of the government to continue the ten per cent deduction?

Mr. MATTHEWS: I think I can say that no decision has been arrived at.

Mr. MACKENZIE (Vancouver): The question of the deduction of ten per cent is involved in this particular vote.

Mr. RHODES: Inasmuch as the estimates had to be prepared prior to an opportunity being afforded for the consideration of salary deductions, it was understood that they would be set up on the basis of the ten per cent deduction being effective. But that does not preclude consideration of the restoration of the ten per cent deduction at a later stage in the session if that should be so determined. I think that is generally understood.

Mr. MACKENZIE (Vancouver): The ten per cent deduction is made in the case of the estimates now submitted.

Mr. RHODES: They are set up on the basis of a ten per cent deduction.

Mr. MOTHERWELL: It is still open for consideration?

Mr. RHODES: Yes.

Mr. YOUNG: Could the minister tell us what reduction there has been in receipts from customs duties and whether the cost of collecting those duties has been correspondingly reduced?

Mr. MATTHEWS: I am sorry but I have not the information before me.

Mr. YOUNG: Will the minister get it for us?

Mr. VENIOT: I notice that the commmissioner of customs is now receiving $9,000 whereas the salary last year was $12,000. Is that reduction made on the grounds of economy or on the ability and efficiency to fill the position?

[Mr. Bennett.]

Mr. MATTHEWS: The commissioner generally starts at a lower salary.

Mr. VENIOT: I do not think the minister gets my point. The former commissioner received $12,000 while the present one is receiving only $9,000. Is that reduction being made on the grounds of economy or on the ground of ability to do the work?

Mr. MATTHEWS: A new commissioner always starts at a lower salary.

Mr. VENIOT: No, he does not.

Mr. MACKENZIE (Vancouver): When we had the various items involving a ten per cent salary reduction under consideration last year the government was asked to postpone all such items until their resolution with regard to the deduction was before the house. I think the Minister of Finance will agree with me when I say that the discussion on all such items was held up until the government's policy in connection with the ten per cent deduction was declared. I wonder if the Minister of Finance has any pronouncement to make this evening with regard to the intention of the government as to salary deductions? I think we should know that before we vote this item.

Mr. RHODES: The matter is under consideration, but it will be some little time before it will be determined as to what action will be taken with respect to salary deductions. I am sorry I cannot go beyond that and give my hon. friend the information he desires.

Mr. HEENAN: The minister will appreciate that if we pass one of these items we are practically voting a ten per cent deduction.

Mr. RHODES: I do not agree with my hon. friend. He can protect himself by stating that he is voting without prejudice to his right to object to the salary deductions.

Mr. HEENAN: There would be no use in having made a reservation when all the items had been passed before the government announced its decision.

Mr. CASGRAIN: I think the point raised by the hon. members for Vancouver Centre (Mr. Mackenzie) and Kenora-Rainy River (Mr. Heenan) is a good one. The committee will recall that last year the discussion of similar items was held up until the government made known its decision in the matter. As the hon. member for Kenora-Rainy River points out, it would be no use reserving our rights after we had passed these items. Items

will be coming up to-night, to-morrow and on Friday and before passing any items involving salaries we should have a statement from the Minister of Finance or the Prime Minister. We should know where we stand. It is all right for the minister to say that the matter is under consideration and he will tell us later on, but it may be two or three weeks before we know. In the meantime we will be called upon to pass a number of items and when we object the same answer will be given, that we can reserve our rights. I do not think it is fair to put hon. members in that position.

Mr. MACKENZIE (Vancouver): We are being asked to support in theory the principle of a salary deduction for the civil service. Before we do that I think we should be given an opportunity of saying whether we approve or disapprove of such a principle. Once the house supports such a policy, then we can go on to vote these items. I recall that last year all the items involving a deduction from civil service salaries were held up until the resolution was brought down by the administration. I think we would be on safe ground in advocating that the same course be pursued this year.

Mr. BENNETT: The hon. gentleman forgets that last year the deduction of ten per cent was provided at the end of each item while in this instance the committee is being asked to pass an item based upon a ten per cent deduction. Last year the estimates were not so based and the ten per cent was deducted afterwards. In this instance, the committee is dealing with the granting of supply on the basis of a ten per cent deduction.

Mr. MACKENZIE (Vancouver): That makes my point even stronger. Last year, if I correctly interpret the remarks of the Prime Minister, there was left a discretion as to whether the ten per cent deduction should be made or not. This year there is no discretion left to the committee. The ten per cent deduction is embraced in the amount we are voting, so that if we pass this item we are supporting the principle of the ten per cent deduction.

Mr. CHEVRIER: I am obliged to those who have started this discussion. I do not think we should be called upon to vote any amount of money for salaries unless and until the government makes some declaration as to what its policy will be. I regret that the Prime Minister has taken the stand that he has. Last year, by making it clear in the estimates that the items were subject to a ten per cent deduction, there was no difficulty. I cannot construe these estimates otherwise than that, in voting for any one of these items in the form in which it is submitted, we are endorsing the principle of the ten per cent deduction. I think the government would be well advised to recede from its present position and allow the matter of salaries to stand until there has been some definite declaration of policy on its part.

Mr. STEWART (Edmonton): I fail to see that the estimates are brought down in any different shape from the estimates of last year. The full salaries are voted, as last year, less ten per cent. That is a partial intimation by the government that as soon as they can do so they intend to restore the salary list, and that being so I do not see that any hardship will be incurred by allowing the salary list to stand, taking up some other item in this department in order to get it in. We did that last year until the government made up its mind.

Mr. BENNETT: The estimates this year are framed on the basis of the ten per cent being taken before they are presented, and as regards the government's mind being made up, it is made up, qua the estimates, on the basis of the ten per cent deduction. That is clear, but the Minister of Finance has already said that there might be conditions that might warrant the restoration of the ten per cent, which of course would be done by appropriate measures.

Mr. STEWART (Edmonton): These estimates are based on the full salaries less ten per cent?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): But we vote ten per cent off every one of the salaries at the end.

Mr. BENNETT: As the hon. member for Vancouver Centre (Mr. Mackenzie) has pointed out, that was so last year. In order that there might be no misunderstanding on this occasion, the estimates are the statutory salary list less ten per cent, and the vote is for ninety per cent of the statutory salaries, in the vote itself, not at the end of the vote.

Mr. STEWART (Edmonton): Not at the end of the vote?

Mr. BENNETT: No; it is right in the vote.

Mr. STEWART (Edmonton): And it was last year.

Mr. BENNETT: No; last year it was at the end.

Mr. MACKENZIE (Vancouver): I am inclined to agree with the Prime Minister's construction of the estimates. On page 85, the second item is commissioner of excise, $8,000. That was last year's vote with the ten per cent deduction, repeated this year. There is no specific ten per cent deduction in the general vote, but I suggest that the principle is the same; if we vote for these items this year we are still supporting the principle of the ten per cent deduction, before the administration introduces legislation, or has intimated whether it wants to revise these estimates or not.

Mr. MERCIER (St. Henri): If the Prime Minister will look at page 84, giving the details of civil government, he will find at the bottom of the page the words "less ten per cent."

Sir EUGENE FISET: On page 85 provision is made for the salary of the commissioner of customs at $9,000, compared with $12,000 last year, but the commissioner of excise receives $8,000 this year and last year his salary was $8,000. Therefore there is no deduction of ten per cent, and the same applies all along the line.

Mr. BENNETT: The hon. member for West Edmonton is correct in saying that with respect to those items to which he has directed attention the deduction of ten per cent is at the end. The estimates as passed, if they are passed, are framed on the basis of ten per cent less than the statutory rate. The year before last, when the suggestion of the ten per cent cut was made, the hon. gentleman from Ottawa said, "We must have a vote on the question whether or not there shall be a deduction of ten per cent"; and it will be recalled that on going into supply—that at any rate is my memory—the matter was raised and a vote was taken, and the statutory provisions were reduced by ten per cent when the estimates were passed. Now, so far as what is taking place to-night is concerned, it is the passing of estimates which are reduced by ten per cent at the end of the salary list, as stated. But the basis of the estimates, as the Minister of Finance has said, is the ten per cent deduction.

Mr. DUPUIS: But the law reducing salaries by ten per cent is not yet passed. How can you deduct ten per cent from the estimates before knowing whether that law will be passed by the House of Commons? The government is going ahead of its power. Of course, in the light of what we have seen in the past three years, we on this side are not surprised that none of our friends opposite are with us, although I have no doubt that at heart they think we are right. We do not expect that they will come with us, though they would like very much to be with us, seeing what is coming. At any rate, the law has not been passed reducing the salaries ten per cent, and before that law is passed I do not see how we can reduce the estimates by ten per cent.

Mr. HEENAN: Will the Minister of Finance look at page 85? The second item is for commissioner of excise, $8,000, and last year the salary for this position was $8,000, including the ten per cent.

Mr. RHODES: If my hon. friend will look at the bottom of the next page, he will note that the total of those salaries is subject to a deduction of ten per cent.

Mr. HEENAN: I am afraid when my hon. friend answered before the Prime Minister spoke, he gave us a wrong steer.

Mr. RHODES: If I did, I did not do so intentionally. Last year it is true that items affecting salaries, which were subject to a deduction of ten per cent, were held up by hon. gentlemen opposite. That is their privilege; they may do so now if they wish. That is for them to determine and the government will have to bow to their will. I have nothing to add to the statement which I made previously, namely, that if we were to have the estimates prepared for parliament in time for the work of the session to be conducted in an orderly fashion, we had to set them up on a basis similar to the one we used last year. I have only to repeat that the question whether the ten per cent deduction will, in the final analysis, be made, will have to be determined subsequently.

While I am on my feet, may I say to my hon. friend that I can only repeat what I said so many times last session and the session before, that nobody will be more delighted than I when the country is in a position to let salaries return to their normal basis.

Mr. HEENAN: I think we shall all be delighted when that time arrives.

Mr. CASGRAIN: It will not be under this government.

An hon. MEMBER: Sure, it will.

Mr. HEENAN: I assure the Minister of Finance that the matter is not one of holding up the item, but of knowing what we are voting. The minister himself says that the question has not yet been determined by the government; that it is under consideration. If I

did not misunderstand the Prime Minister, he said that the government had already determined it.

Mr. RHODES: No, only on the basis of the estimates. It is determined only so far as the estimates are concerned. The Prime Minister's statement coincides with mine except as to a difference in language. He said that qua estimates it was determined, but the question whether, in the final analysis, the ten per cent deduction will actually be made, will have to be determined subsequently.

Mr. HEENAN: Then my contention holds good that if we pass these estimates, we are voting for a ten per cent deduction.

Mr. RHODES: There is no question as to that except that it is understood, if my hon. friend does so without prejudice to his right to object so far as he is concerned to the ten per cent deduction, he is absolved. The government has not yet finally determined whether the ten per cent deduction will be made.

Mr. CHEVRIER: The total estimate for salaries for 1934-35 is $911,550 and for 1933-34 it was $963,320. The former amount less ten per cent or $91,155 comes to $820,395, and the latter less ten per cent, or $96,332, comes to $866,988. Therefore we are called upon now to vote $820,395 which is the result of a deduction of ten per cent. I certainly shall not vote for that, because I am not going to admit that the ten per cent deduction ought to be made again this year. If I vote this amount for salaries, not only implicitly but by the brutal fact I am condemned; I cannot go back; I am estopped, because I have voted for the total amount of salaries required this year less ten per cent. That I certainly do not want to do because I am not in favour of the deduction and therefore I hope the matter of salaries will be left over for the present.

Mr. MERCIER (St. Henri): I do not see any use for a bill being introduced to restore the amount taken off by the ten per cent deduction.

Mr. VENIOT: If the minister will look at the estimates for 1933-34, he will find that the same situation prevailed then as does now. The estimates were submitted in the same way and we took then the same objection as we are taking now. I understood the Prime Minister this evening to say that the situation this year was different from that of last. It is not. Last year we voted and we deducted ten per cent from the aggregate vote. We are doing the same thing this year. Last year we objected to the deduction and it was held over until such time as the government made their decision. The situation is the same this year. Why ask us to accept the principle this year when the government acquiesced in our objection last year?

Mr. MACKENZIE (Vancouver): Does the salary deduction bill not expire on March 31?

Mr. RHODES: Yes.

Mr. MACKENZIE (Vancouver): I think my hon. friend will agree that last year we raised the question that we could not do anything by voting for items and the government introduced legislation to cover the general principle. This year they are asking us to endorse, by voting for items, the principle of a salary deduction, but the only way in which they can do this is by introducing legislation. The point raised a few minutes ago is quite correct; we should not be forced into the position of supporting a general principle on a detailed item until we have an opportunity of voting as to the general policy of the government as indicated by its legislation.

Mr. RHODES: I can see that we are not going to make much progress because hon. gentlemen opposite have made up their minds that these items are not going to go through in their present form until the question of deduction has been disposed of. Therefore I think we are simply wasting time. The senior member for Ottawa has taken the responsibility of saying that because civil servants are not securing one hundred per cent of their salaries, they shall not receive the ninety per cent. I move therefore that the consideration of this item be deferred, and for the remainder of the evening we shall take up items having no reference to salaries.

Mr. STEWART (Edmonton): After the remarks of the Minister of Finance, I think it would be well to ask whether the information we get from the government is authentic. Until I secured last year's estimates I was not quite sure whether the estimates of this year were identical with those of last. The Prime Minister said that they were not and in saying so had the support of the hon. member for Vancouver Centre. Now I find that they are identical. We are not seeking to prevent the civil servants from getting their salaries, but rather we want to have the same procedure followed as was followed last year. If the civil servants are denied their salaries, it will be because the government has not made up its mind whether it intends to revoke the ten per cent deduction.

Mr. RHODES: The motion to postpone discussion is not subject to debate, but as my hon. friend has spoken, I may be permitted to say that the Prime Minister is quite competent to discuss his attitude with the hon. member for West Edmonton, and unless I am required to do so, I do not propose to take up the cudgels in his behalf. But I maintain that a reference to Hansard to-morrow will sustain me in the position I have taken with respect to the set-up of the estimates.

Mr. MACKENZIE (Vancouver): On a question of privilege I disagree entirely with the Minister of Finance in regard to the observations he made in connection with the hon. member for Ottawa. After all is said and done, the government is making a deduction from a statutory salary and the only way in which this can be done properly is by an act of parliament. The senior member for Ottawa is quite correct in the position he has taken.

Mr. RHODES: I am sure that the hon. the senior member for Ottawa will appreciate that my remarks were a mere pleasantry. I am sure he quite understands and the civil service, which is a highly intelligent body, will not be deceived by anything said by my hon. friend or by me. They know full well the character and tenor of my remarks.

Mr. CHEVRIER: I am pleased with the remarks of the minister. I know he did not mean them in the way they could be taken. The government has until the first of April to decide upon its policy. There is ample time between now and then for the government to make up its mind what it is going to do, and if by that time it has not made up its mind whether the services are to be deprived of ten per cent or not, the responsibility will be upon the administration. But until the government declares its policy, I refuse to let these items go as they are. I do not think it is fair for the minister to put it up to us in that way. There is no reason why the civil service should suffer simply because the government has not made up its mind.

Motion agreed to.

Item stands.

Railways and Canals—miscellaneous services —including salaries of experts employed temporarily, $33,500.

Sir EUGENE FISET: Are those salaries subject to the ten per cent reduction?

The CHAIRMAN (Mr. Hackett): No, they are not in the civil service.

[Mr. C. A. Stewart.]

Mr. DUPUIS: The members of parliament are not in the civil service but they are subject to the ten per cent cut.

Mr. HOWARD: Do these experts include those who have been retained to study the question of deepening to forty feet the channel below the city of Montreal?

Mr. MANION: No, that is under the Department of Marine.

Mr. HOWARD: Who are those experts?

Mr. MANION: This is miscellaneous services. This vote is in continuance of the annual vote formerly provided under the title "services and inspection of railways". It is provided in order that funds may be available for any special surveys, investigations or examinations that may be required in connection with railway matters or matters related thereto, to pay the salaries of official car porters, and repairs and incidental expenses in connection with the maintenance of official cars under the jurisdiction of the department, including the Governor General's cars.

Mr. MERCIER (St. Henri): Is their pay less the ten per cent?

Mr. MANION: That is true at the present time of all civil servants. We are not dealing here with civil government salaries; this is the ordinary staff. Of course all of them are being paid at the present time less ten per cent, including my hon. friend and myself.

Mr. DUPUIS: I was told a moment ago that there was no ten per cent reduction in this item.

The CHAIRMAN (Mr. Hackett): There is not.

Mr. MANION: No, we were speaking of another item. I am not dealing with the civil government item of my department at present. All of these votes include a certain amount of salaries, so if my hon. friends insist on holding up everything that includes salaries they should have held up everything to-night, because every item passed to-night includes a certain amount of salaries. For instance the item for the Board of Railway Commissioners included salaries, and they are all cut ten per cent.

Mr. SANDERSON: How many experts are included under this item?

Mr. DUPUIS: Who are these experts anyhow?

Mr. MANION: In this item there are no experts included. This merely deals with the miscellaneous items involved in carrying on the administration. I can give the details if my hon. friend wants them.

Mr. DUPUIS: No, but in all good faith I would like to know why the government before presenting all these items which the Minister of Railways said a moment ago were all concerning salaries—

Mr. MANION: No, I did not say that.

Mr. DUPUIS: —why they did not pass the general legislation reducing by ten per cent all these salaries, so that we would know what the position is. It is surprising to me to see the government playing the role of the squirrel, jumping from one item and one department to another. I suggest that it is not a proper thing for the government to do; some time they might find themselves short of a tree.

Mr. CASGRAIN: They might fall in the ditch.

Mr. DUPUIS: I think in all good faith they should pass that general legislation before asking this committee to vote all these items relating to salaries.

Mr. MANION: My hon. friend is wrong. These items do not relate specially to salaries. Let me explain. The Minister of National Revenue did bring in an item dealing entirely with salaries, that item of civil government. The Minister of Finance, after listening to the discussion for the last half hour or so in which my hon. friend—quite legitimately—opposed the carrying of that item, suggested that it stand over. Now I am dealing with another item, which of course includes a certain amount of salaries but is not civil government. I have the civil government item in my department also, but am not dealing with that. The item now in question deals with a lot of miscellaneous things; for example, telephone and telegraph tolls and things of that sort. It is not all salaries, but I repeat that there are few items that do not contain something in the shape of salaries, because they all have officers administering at any rate. So without doubt salaries are involved in all the items that have passed and to which my hon. friends had no objection until the Minister of National Revenue took up the question of civil government, and then they rightly protested. That is the item, my friends will remember, that was held up last year. But this item has nothing to do with salaries except as incidental salaries are comprised in it, as in almost every item.

Mr. SANDERSON: The item is quite clear. It says:

Miscellaneous services—including salaries of experts employed temporarily.

I would like to ask the minister to give us some detail in regard to that vote.

Mr. MANION: I had not noticed that wording; I was looking at my notes. The only expert employed under that vote, if he can be called an expert—I had not thought of him as such—is Mr. Lazier, the engineer in my department who checks up the Beauharnois work, representing the government, and sees that the Beauharnois company keeps within the regulations of the agreement with the government.

Mr. CASGRAIN: What is his salary?

Mr. MANION: $6,000 a year.

Mr. SANDERSON: What services does this expert perform?

Mr. MANION: I have just explained.

Mr. SANDERSON: Not very clearly.

Mr. MANION: It may not be clear to my hon. friend. I will repeat. Mr. Lazier is the representative of the government, or of my department acting for the government, checking up Beauharnois on their plans and the execution of their works to see that they do nothing outside of the agreement with the government.

Mr. DUPUIS: Is that the only one who receives salary under that item?

Mr. MANION: No, there are others.

Mr. DUPUIS: We want to know about them.

Mr. MANION: My hon. friend who asked the former question was dealing with experts.

Mr. SANDERSON: The minister has mentioned only one.

Mr. MANION: He is the only one I know under that item.

Mr. DUPUIS: It says "experts."

Mr. MANION: That is bad grammar; that is all.

Mr. SANDERSON: As a rule the minister is very clear in his explanation, but to-night he is not clear. I should like some further particulars with regard to this vote, which reads:

Miscellaneous services—including salaries of experts employed temporarily, $33,500.

This speaks of experts employed temporarily, not of an expert, and with all due respect to the minister his explanation has not been very clear.

Mr. MANION: I am sorry, but I have given the explanation. I am not responsible because the word is plural where it should have been singular; I think that must have been a slip on the part of the man who made up the item, because according to the in-

formation I have here, and I am quite sure it is correct because I have all the details of the item, the only person to whom the word expert might be applied—and I had overlooked it when my hon. friend asked his question at first—is Mr. Lazier, who as I have already said, is our engineer on the Beauharnois works. He is an expert engineer, though I do not know that the word expert should be applied to him. The rest of the salaries are for the men who work on the different cars of the Governor General and the government. Outside of those there are no other salaries in this item, and Mr. Lazier is the only one to whom the word "expert" could be applied. So I am quite sincere, and I am endeavouring to give the information to my hon. friend as well as I can.

Mr. SANDERSON: I do not doubt that the minister is endeavouring to give all the information he has, but as yet he has not made it very clear to me. Apparently there is one expert. What salary is he getting?

Mr. MANION: Mr. Lazier? $6,000.

Mr. SANDERSON: Where does the balance come in?

Mr. MANION: I offered to give my hon. friend the balance if he wanted it.

Mr. SANDERSON: We would like the names.

Mr. MANION: I will give the information. The first item is general office expenses, including telegraph, telephone, express, travelling expenses, printing and stationery, $1,000. Miscellaneous unforeseen, $1,500; that would be such things as I have just read, if our telegraph or telephone accounts ran a little higher, perhaps. Government official cars, operation and maintenance, $15,978.50. I have the names of the porters, but as they are exactly the same gentlemen who were in charge of the cars under my hon. friends, so far as I know, I suppose there is no need to give them, although I have no objection if my hon. friend wants me to do so.

Mr. SANDERSON: Please.

Mr. MANION: There is a Mr. Perryman, in charge of car 100; he receives $1,740. Then there is H. Giles, also with car 100; he receives $1,215. Mr. W. R. Brown, in charge of car 101, receives $1,740, and Mr. W. I. Nevin, also with car 101, receives $1,215. Mr. R. E. Warwick, in charge of car 104, receives $1,740 and Mr. K. Dawson, also with car 104, receives $1,215. Those salaries total $8,865. Then there is an item for repairs and alterations to the Governor General's cars, of which I think there are three, and that item amounts to $3,500. There is an item for repairs and maintenance of the government cars; they are all old cars which I think have been in service since the days of Sir Wilfrid Laurier.

Mr. SANDERSON: How many official cars are included?

Mr. MANION: There are three. The item for repairs and maintenance amounts to $8,000. Then the Beauharnois surveys and inspections amount to $10,000, which includes the salary of $6,000 to Mr. Lazier. In addition we provide him with board and quarters, which cost $800. The company have a camp there, and we pay this amount to the company. There is an item of $1,600 for flow measurements carried out by the head office, including casual labour, and an item of $1,600 for general expenses. The last item amounts to $1,521.50, and it is to cover unforeseen expenses. These different items give a total of $33,500, so my hon. friend will see that there are no experts hidden anywhere in this vote. I have given every detail, which is more than I have ever been asked to do before, though I have no objection to doing so.

Mr. MITCHELL: I understood the minister to say that these employees were not subject to the ten per cent deduction; is that correct?

Mr. MANION: No, I said they were. My hon. friend and myself, he as a member and I as a member and a minister, are subject to the ten per cent deduction, and every employee in the civil service is subject to the same deduction so far as I know. The only point of difference, as my hon. friend the Minister of Finance has explained to the committee, is that the question of our future policy has not been definitely decided. My hon. friends question the propriety of dealing with the civil government, which was the item brought up by the Minister of National Revenue, before that policy has been decided upon. These items do not deal particularly with salaries, but practically each item contains some salaries.

Mr. MITCHELL: What is the salary of Mr. Lazier?

Mr. MANION: He receives $6,000, and I had overlooked the item which followed, of $800 for board.

Mr. MITCHELL: Less ten per cent?

Mr. MANION: Yes, I think so. It does not give the details here, but that is my understanding. I would have no objection to giv-

ing all that information even on another item, if my hon. friend will remind me. I did not know I was going on with my estimates to-night, and my deputy is not here. I am rather filling in, so I may not be able to give all the details my hon. friends may desire, but I will give everything I have. I have nothing to hide.

Mr. VENIOT: Perhaps it would clarify matters if the minister would distinguish between the civil service as we understand it and government employees outside of the service. If that were done it might be easier to understand these items. The items to which we have objected were those dealing exclusively with statutory, fixed salaries paid the civil service. I do not think we would object to salaries such as those now mentioned by the minister.

Mr. MANION: I may be wrong; I have not had the question brought up in just that way, but this is how I would make the distinction. The item brought up by the Minister of National Revenue dealt with what we call the civil government item, which covered his staff in the city of Ottawa. In addition there is, as no one knows better than the hon. gentleman, a staff throughout the country which is not ordinarily included in the civil vote.

Mr. VENIOT: We are not objecting to those salaries on the ten per cent basis.

Mr. MANION: That is the difference; civil government takes in the whole civil service in the city of Ottawa whereas the other parts of the service are dealt with in these other items such as the one now before the committee.

Mr. CASGRAIN: Do I understand that they are not subject to the deduction of ten per cent?

Mr. MANION: I say that so far as I know, and I think I am correct, everyone has had that deduction imposed.

Mr. CASGRAIN: Not according to this item; it does not say that these people are subject to a ten per cent deduction. I should like to know from the minister if Mr. Lazier, who is an engineer of repute, has the ten per cent deducted from his salary?

Mr. MANION: I cannot give my hon. friend any further information than I gave the hon. member for East Hamilton. It does not show in the details before me, but I believe the ten per cent applies in his case also. Possibly I may be mistaken, due to the fact that Mr. Lazier is only a temporary employee, and as I speak it comes back to me that when Mr. Lazier was employed, which I believe was only about a year ago, an exception was made. Mr. Lazier is a very well known engineer who I think was doing some work on the Welland canal, not for us but for a private corporation. As my hon. friend will remember, the whole Beauharnois deal was in the hands of the Department of Public Works for quite a long time. Then it was transferred to the Department of Railways, and we felt that we must have an engineer of outstanding ability who would check up the Beauharnois company in all their engineering works. I am not saying that as any criticism of Beauharnois, but Mr. Lazier was hired on that basis. I have told my hon. friend that I will give definite information on some other item that comes up after to-night, but I have it hazily in my mind that when Mr. Lazier was hired it may be that we did not insist upon his taking the ten per cent deduction or he may have refused to take it because he is only temporary, and is a good engineer. A salary of $6,000 is not excessive for an outstanding engineer of his type. But in general the whole civil service is subject to the ten per cent deduction. There may be an occasional exception, and Mr. Lazier may be one. I cannot say at the moment, but I will give definite information on that point on any other item when I have my deputy here at some future time.

Mr. CASGRAIN: Are there any other private cars covered by this item besides those the minister has mentioned?

Mr. MANION: No, I have given every private car which the government has. It is the same number as were operated by the late government and by the government before that. The number of cars has been exactly the same for twenty or more years, and I think the cars are the same with the exception of one or two.

Mr. CASGRAIN: Was there not one rebuilt some time ago? Is that covered by this item?

Mr. MANION: There were two rebuilt some time ago, and I can give my hon. friend the details if he wishes. The cars are covered by this item. One car was rebuilt under the late government and one under this.

Mr. CASGRAIN: Are the cars known by numbers?

Mr. MANION: Yes, most of them, 100, 101, 104—

Mr. MERCIER (St. Henri): Why the jump in numbers? Were some of the cars abolished?

Mr. MANION: Maybe some of my hon. friends stole some of them when they were in power. But seriously, so far as I know these are the only ones that we took over.

Mr. CASGRAIN: Is a particular car placed at the disposal of a particular minister? Who has the choice of these cars?

Mr. MOTHERWELL: The Minister of Railways has one.

Mr. MANION: My modesty forbids me to tell my hon. friends much about that except that the Minister of Railways by virtue of his position, has the right to one car. May I add that I often lend it to my colleagues? It is 104, the highest number. Then there is one for the Prime Minister, and he often lends it to his colleagues.

Mr. CASGRAIN: What is the number?

Mr. MANION: The number is 100, and car 101 is used when they cannot get the Prime Minister's or the Minister of Railways' car.

Mr. STEWART (Edmonton): There is a car for the National Defence department.

Mr. MANION: Yes, but that is not under my department.

Mr. RALSTON: That is lent more than any of the others.

Mr. MANION: I think that is true.

Mr. CASGRAIN: Have the cars names as well as numbers?

Mr. MANION: I do not know anything about the names.

Mr. HEENAN: I think the Minister of Railways was quite right when he said that in voting these items we are passing on the principle of the ten per cent deduction. That is the reason I rose, to ask where we are heading, and I still think I got more of an explanation from the Minister of Finance and the Prime Minister. We are trying to help the government out by passing items in the different departments so that the government can go into supply on other days, and because we are doing that we have the Minister of Railways telling us that we did not object to any items that have already been passed. That is just an indication of how under this government, when we try to facilitate the business of the house, the first thing we know we are jockeyed into a position from which we can hardly recede. This item does provide for salaries, and while it is true they may be salaries for the outside service, there are many of us on this side of the house—I do not know if we are all of the same opinion, but I for one am certainly much more against a deduction in the salaries of the outside service, the low paid men on the canals, than I am against a deduction in the salaries of the higher paid civil servants. Consequently, Mr. Chairman, I do not see how we can pass any of these items until the government brings in a measure announcing its policy.

Mr. MANION: I do not wish to get into a dispute because I feel goodnatured and I am sure my hon. friends opposite are, but my hon. friend is not quite right when he says that I said we were dealing with the principle of the ten per cent cut. I did not say anything of the sort. We are not, in dealing with any of these items, dealing with the principle of the ten per cent cut. We are dealing with the ordinary items of government. The principle of the ten per cent cut, I think it was decided last year, should be dealt with in connection with the civil government estimates, and the mistake, if mistake there was, was in going into civil government items at all. That happened quite unintentionally just because the Minister of National Revenue probably called the first item under his hand. I repeat, we are not dealing with the principle of the ten per cent cut in any of these items. We are simply taking a noncontentious item in each of the departments. Further I do not think it is fair to make the statement that the government attempted to put anything over, because we have done exactly what the Prime Minister said we were going to do. He said that we were going to go into a few of the departments so that the business of the country would not be held up. In other words, if we are through with ordinary government business on Thursday or Friday we shall have something with which to deal once these items have been called. It has always been the custom for us to take up estimates about Friday, when many hon. gentlemen want to get away to Toronto or Montreal.

Mr. MACKENZIE (Vancouver): We have taken up two more departments than the Prime Minister mentioned last night.

Mr. MANION: I have no objection to this item being held up, but I think after all the discussion we have had upon it, a good deal more than we usually have, with all due respect my hon. friends might allow the item to pass on the understanding that the one piece of information I have not given them.

that is the full details of Mr. Lazier's salary, I shall gladly give as I promised my hon. friend from East Hamilton (Mr. Mitchell), my hon. friend from South Perth (Mr. Sanderson), and my hon. friend from Charlevoix-Saguenay (Mr. Casgrain), on some other item. There is nothing to hide in connection with this item, and after all the discussion we have had upon it, perhaps hon. gentlemen opposite will be as courteous to me as I have attempted to be to them and allow the item to go through.

Mr. HEENAN: The minister is very nice and I believe he will give us all the information we want, but I want to make it clear that we are voting on a principle. We have held up an item for a man with a salary of $9,000 a year because we refused to vote on the principle of the ten per cent deduction, and here we have an item covering the salary of a man getting about $1,200 or $1,500 a year, and we are asked to vote a ten per cent reduction for that man after we have refused to vote a similar reduction for the $9,000 man. I do not think we can possibly let the item pass, although I would have been the first to accommodate the minister, especially when he is in such a nice humour.

Mr. MANION: I am quite agreeable to having this item stand.

Item stands.

Miscellaneous—loan to harbour commissioners of Montreal with interest at a rate to be fixed by the governor in council, for such period and upon such terms and conditions as the governor in council may determine, and to be applied in payment of deficits resulting from the operations of the Montreal harbour bridge, $497,000.

Mr. DUPUIS: As this is a large amount, we will pass it.

Mr. RHODES: This is to implement an undertaking made by the government some years ago, in fact before we came into power. It is a guarantee of the interest upon the issue of bonds for the construction of the Montreal harbour bridge, the issue outstanding being $19,000,000.

Mr. STEWART (Edmonton): How much was paid last year?

Mr. RHODES: Last year we paid $488,825.

Mr. HEAPS: Was that paid from the federal exchequer?

Mr. RHODES: That is the portion that came from the federal exchequer; both the city of Montreal and the province of Quebec pay a portion.

Mr. REID: What is the total paid out by the dominion?

Mr. RHODES: In 1930-31 it was $170,000; in 1931-32, $533,850, and in 1932-33, $395,000. I have a note that in those years no charge was made for the cost of furnishing money in New York which at prevailing rates amounted to $60,973.

Mr. STEWART (Edmonton): Exchange?

Mr. RHODES: Exchange. In 1933-34 and in the estimates for this year provision is made for the New York exchange. The total amount paid out including the sum to be voted is $2,084,675.

Mr. STEWART (Edmonton): I notice the first year was much lower than the others; was that a full year?

Mr. RHODES: That was only a portion of a year.

Mr. HEAPS: Could the minister give us a resumé of the annual operations of this bridge, say for last year? This would give us some idea of the loss and profit account on the structure.

Mr. RHODES: Here is the statement of operations for the year 1933:

Revenue		$ 377,341 21
Operating expenses	$ 99,332 62	
Fixed charges	950,000 00	
Replacement reserve	15,000 00	
Bond discount	8,846 16	
Premium on bond interest	96,355 86	
Interest on government advances	64,169 58	
Depreciation	166,164 00	
		1,399,868 22
Loss for year		$1,022,527 01

Mr. SANDERSON: What proportions do the province of Quebec and the city of Montreal pay?

Mr. RHODES: One-third each, but the amounts payable by the province of Quebec and the city of Montreal are limited to $150,000 each per year. Whatever the deficit may be, the difference between that sum and the deficit has to be met out of the federal treasury.

Mr. HEAPS: All over $150,000 would be a federal obligation?

Mr. RHODES: My understanding is that both the city of Montreal and the province of Quebec have taken care of their obligations.

Mr. HEAPS: I am trying to find out what is really the obligation.

Mr. RHODES: I thought I had explained that, but I will try to use the best and simplest English I know. The loss is divided three ways. The obligation of the province is limited to a maximum of $150,000 per year, and that same limit is placed upon the amount to be paid by the city. If those two sums do not equal two-thirds of the total deficit, whatever the excess may be it must be met from the dominion treasury.

Mr. HEAPS: If the deficit is over $450,000 a year, the whole of the deficit is borne by the federal exchequer?

Mr. RHODES: All above $300,000.

Mr. HEAPS: That makes it still worse. I wonder what the prospects of the bridge are for the immediate future.

Mr. DUPUIS: Let us settle the present; the future will take care of itself.

Mr. HEAPS: I should like to look ahead a little and see what is to be done. It appears that the deficit is something in the neighbourhood of a million dollars on one year's operation, of which deficit the federal government pay $700,000, according to the figures just given by the minister. How long will the government be called upon to meet such deficits?

Mr. RHODES: I would have to be a seer to answer that question. With improving conditions and with the growth of the great city of Montreal, I am in hopes that eventually the bridge will become self-sustaining. Whether it does or not, we have an obligation which we must meet. It is idle for us to speculate now as we have committed ourselves to the bargain.

[Mr. Rhodes.]

Mr. SPENCER: The minister will remember that last year considerable discussion took place on this item because it was first estimated that the cost of this bridge would be about $6,000,000 when in fact it eventually cost about $19,000,000. The minister excused himself by stating that he was new to his post and did not have the details at his finger tips. I am sure by now he knows every detail and I should like to have some information on why a bridge which was supposed to cost $6,000,000 should cost $19,000,000.

Mr. RHODES: My recollection is that I gave all the information I had last year. If what I gave was not ample I can assure my hon. friend it was all that was available in the department. So far as the Department of Finance is concerned, our sole association with this bridge is to implement a contract which was entered into by the government. That is all we know about it; we have no further information. If there is any detail of the information which hon. gentlemen wish I will endeavour to secure it from the harbour commissioners in Montreal, but so far as this department is concerned, we have no other information than that which was given last year.

Mr. SPENCER: Is the Minister of Finance satisfied with the enhanced expense in connection with this bridge, considering that the Dominion government has to carry such a liability on account of the increase?

Mr. RHODES: I do not know that it would be proper for me to give an expression of opinion on that point. I know there is a popular assumption that the bridge cost a great deal more than it should have, and certainly it cost a great deal more than was estimated, but I cannot accept street gossip and current suspicion with respect to a bridge of this kind; I can only give such information as I have. The fact is that the obligation exists.

Mr. STEWART (Edmonton): There is a complete audit.

Mr. CARDIN: There was never any real complete estimate at the time the bridge was under consideration. The amount ranging from $6,000,000 to $10,000,000 which was mentioned was merely a guess, because the plans were not all drawn. The government decided that a bridge should be built between the south shore and the island of Montreal and it was declared in the House of Commons at that time that the plans were not ready and that no accurate estimate had been made. The whole matter was then explained by the

minister and other members to the house, and during the course of construction the plans have been altered very materially by the engineers who had discovered in the bed of the river certain conditions that had not been suspected when it was decided to build a bridge. But no definite amount was ever mentioned, based on any final estimate made by the engineers as to the cost of the bridge.

Mr. SPENCER: That is really the worst excuse I have ever heard put forward by a public man, to say it was merely a guess for the voting of public money in connection with such a large undertaking, involving a sum of between $6,000,000 and $10,000,000. If it was found that the cost was above the estimate, surely those responsible should have come back to the house and said that they had been in error and asked the consent of the house. I do not think the commons have had sufficient information in regard to this bridge.

Mr. STEWART (Edmonton): Has the hon. member not had an opportunity of examining the auditor's report which was ordered by this government after they took office? That report is available and it gives the details of the expenditure.

Mr. SPENCER: The bridge might cost a a good deal more than it should cost and yet the auditor's report might be perfectly in order. Everyone knows that.

Mr. STEWART (Edmonton): Then the question is one of engineering opinion; that is all. I recall a speech covering the whole construction of the bridge, delivered by the Secretary of State, in which he pointed out that very material changes had been made in the construction. I refer to the auditor's report because it gives a detailed statement of the expenditure.

Mr. DUPUIS: I wish to say a few words in answer to our good friend from Battle River. I want to be broadminded in discussing questions of this sort, without any prejudices. I agree with the hon. member when he says that it is regrettable that a construction of this kind should exceed by two or three times the amount which it was originally expected it would cost. But in his studies of Canadian history has he not come across many other undertakings which were on the same footing?

An hon. MEMBER: The Grand Trunk Pacific.

Mr. DUPUIS: Yes. Take the Canadian Pacific Railway, or, getting nearer to my good friend's province, take the Hudson Bay railway.

The CHAIRMAN (Mr. Hackett): I must ask the hon. member to confine himself to the item.

Mr. DUPUIS: I am merely making a comparison, and I think the chairman will be good enough to allow me to express my views on this question. No doubt the bridge has been expensive, but I think that my hon. friend should be generous in his view of the matter and not be scandalized by the fact that the cost has exceeded expectations.

Mr. SPENCER: I cannot allow the hon. gentleman's statement to pass without refuting it. I do not criticize the expense of building this bridge on the ground that it has been built in Montreal, because I should be just as critical if it were in Alberta. I am not criticizing the undertaking from the point of view of locality; not at all.

Item agreed to.

Unforeseen expenses, expenditure thereof to be subject to the approval of the treasury board, and a detailed statement to be laid before parliament within fifteen days of next session, $80,000.

Mr. CASGRAIN: May we have an explanation of this?

Mr. RHODES: This is an item that has been in the estimates since confederation. I will not give all the years, but in 1927-28 the expenditure was, in round figures, $131,000; in 1928-29 it was only $7,000; in 1929-30 it was $52,000.

Mr. RALSTON: The items in connection with the Prince of Wales and the Baldwin trip were in 1927-28.

Mr. RHODES: I am not criticizing the amount; it varies from year to year. In 1930-31 it was $57,000; in 1931-32, $73,000; in 1932-33, $62,000, and to January 24 of this year, $58,000. I will mention one or two individual items to indicate how the expenditures are made up. For example, the first item is $3,178.42, which we paid for the taxes on the British legation in Ottawa. That is an arrangement that exists between countries. For instance, on our legation in Washington the taxes are paid by the United States government, and the same is true of our legation in Paris. The next item is for taxes on the French legation, $2,498.49, and the next is city taxes on the United States legation, $11,770. Then there are such items as, for instance, a gratuity paid to the widow of Judge Richard D. Ponton, $833.33. There are a number of these gratuities, two months' pay of the retiring judge. There is one large item, payment of loss due to exchange to employees in the Department of External Affairs outside Can-

ada in countries where the Canadian dollar is at a premium, $22,606.17. That is to make up the shrinkage in the Canadian dollar in terms of the currencies of the countries in which these public servants happen to be stationed. Then there is an item to the Windsor District Trades and Labour Council to assist in defraying expenses in connection with the annual convention of the Trades and Labour Congress of Canada, $500. This vote comprises a miscellaneous collection of items which could not possibly have been foreseen.

Mr. MITCHELL: With regard to the item for compensation of currencies, does that work both ways?

Mr. RHODES: There are some instances where the civil servant gets the benefit of the premium.

Item agreed to.

PUBLIC WORKS

Public works—chargeable to income—
Harbours and rivers—New Brunswick—
Under contract—
Chatham—extension to railway wharf, $9,000.
Essential undertakings—
Campbellton—cribwork block, $2,500.
Harshman's Brook—continuation of harbour improvements, $4,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $75,000.

Mr. MICHAUD: I notice that the Minister of Public Works has been very modest in preparing his public works estimates in relation to the item of $2,500 for Campbellton. Possibly the minister does not know the town, but it is no small one; it is indeed a large town and besides it is a big shipping point in the maritimes. As a matter of fact last summer I believe more than forty-one ships loaded and cleared from that port with lumber for export. I understand that very strong representations have been made to the department regarding necessary material improvements at the port of Campbellton, because it is the home of one of the largest industries of the maritimes, a subsidiary or branch of the Fraser Pulp company, called Restigouche Pulp. It is also a shipping point for lumber for not only the northern part of New Brunswick, but also a considerable part of Quebec in the Matapedia valley. It is admitted that for some years repairs have been greatly needed and demanded. The public wharf is absolutely out of order and I am informed by engineers that the paltry sum of $2,500 will be sufficient only to keep together what is left there. I understand the board of trade and all those interested are asking for a larger amount in order to put

[Mr. Rhodes.]

that port into proper condition. If their demands are heeded and their plans carried out, I am informed that the estimated cost is between $30,000 and $35,000. Not only would this enable that port to be placed in a first class condition and encourage the traffic which is sadly needed in that part of the country, but it would indirectly relieve the unemployment situation in that district, not only through the employment of labour, and those lumbering towns are places where unemployment is prevalent in these days, but through the purchase of the timber required, which can be cut right on the spot, and the steelwork, which can be manufactured about a hundred feet from the wharf, where there are good steel works and where good friends of the government could provide what was needed. It is the government's own friends who are insisting that this work should proceed; all the material necessary for making the repairs can be secured locally.

This work would be in the interests of economy, because last summer difficulties were encountered on account of the bad state of those wharves and their inability to be used as they should have been. This summer there will be great need for the use of that port, because during the winter there has been an increase in lumbering operations, and while this may not be known generally, Campbellton is to-day the centre of lumbering operations on a large scale in the maritimes. Outside Saint John, which is a national port, this is one of the local ports where a great deal of shipping is carried on for export overseas and to the United States. With the high rates of rail transportation the reason for these demands for repairs can be readily understood, because lumber exporters and manufacturers in that district cannot at present successfully compete with other exporters centrally located who have a short rail haul. I submit that the cost of not only ordinary repairs but material improvements at the wharf at Cambellton would be a wise expenditure. The unemployment situation in that district would be relieved by the provision of work early in the spring, and also by the manufacture right on the spot of the special dimension lumber that would be required as well as the work for the steel fabricated locally at Campbellton. I hope the minister will take not only my recommendation but the recommendations of the boards of trade and the captains of industry of that district who have made insistent demands for such repairs. Notwithstanding that it may appear as a demand on the treasury in times when economy and retrenchment

are being preached, I repeat that it would be practical economy, because it is economy to spend money to preserve what is there and to make the facilities meet the needs of the case.

Hon. H. A. STEWART (Minister of Public Works): The representations that have been made by my hon. friend in connection with this wharf are quite in keeping with those made by boards of trade and chambers of commerce in other directions. Unfortunately we have thought that the revenues at this time do not justify the expenditure, although perhaps the business there would justify it if conditions were better. This vote of $2,500 is just to make some repairs to facilitate ferry traffic, and does not in any way touch the larger question which my hon. friend has mentioned. Unemployment relief works, as my hon. friend knows, have been conducted in cooperation with the province and the municipality; these estimates are not framed for the purpose of unemployment relief, although of course any work carried on does help to relieve unemployment. I can only say that in connection with any program of public works that may be determined upon, my hon. friend's representations will be taken into consideration.

Item agreed to.

QUEBEC

Under contract—
Matane—repairs to harbour works, $19,800.
New Carlisle—wharf reconstruction, $17,000.
Petit Cap—breakwater reinforcement, $34,000.
Essential undertakings—
Anse au Griffons (river)—improvements to jetties, $12,000.
Anse aux Griffons—to complete wharf improvements, $1,400.
Baie Ste. Catherine—wharf improvement, $10,200.
Bonaventure—widening wharf, $4,600.
Grande Anse—wharf, $5,000.
Harbours and rivers generally—for maintenance, of services, no new works to be undertaken, $300,000.

Mr. CASGRAIN: This is a very large item. I would like to ask a few questions about it, and I think other members of the opposition will also wish to speak on it. One particular item that interests me is the item concerning the Baie Ste. Catherine wharf improvement, $10,200. I would like the minister to give the details of that work. It is under the heading of essential undertakings. Is it going to be given under contract, or not? I understood last year that the work was to be proceeded with, that an arrangement had been made with Price Brothers whereby the government would get control of the wharf. Some minor or temporary repairs were made, but it never came to my knowledge that the government had purchased the wharf. Therefore I ask how the government can spend $10,200 on a wharf that is not public property. I do not object to works being done in my county, but I myself when I was on the government side, and also since I have been in the opposition, have tried many times to have the government come to a decision on the matter, but always the stumbling block apparently was that no arrangement had been arrived at or satisfactory conclusion come to with this company.

Mr. STEWART (Leeds): My hon. friend is quite right; the transfer from Price Brothers has not been completed. As he knows, there is some complication in connection with their financial affairs. It is not proposed to spend this money until the transfer is complete. The money is required to repair the head block, which was damaged by ice in March, 1933, and was repaired temporarily in April, 1933. The only effective way to repair this structure is to straighten the outer end by widening the head block. The traffic involved is the ferry service for passengers and the royal mail.

Mr. CASGRAIN: What repairs were made last year on that wharf? The repairs then made were supposed to be what was necessary under the circumstances; why is this big amount being asked for; especially for a wharf that is not as yet a public wharf?

Mr. STEWART (Leeds): I have not the particulars, but my official tells me it was simply repairing the flooring of the wharf.

Mr. CASGRAIN: Was there not a staircase or something additional next to the wharf to help the people embark or disembark?

Mr. STEWART (Leeds): A movable slip.

Mr. CASGRAIN: Was this work done under contract? If not, who was the supervisor, and who did the work?

M. STEWART (Leeds): I am sorry I cannot give my hon. friend the information, but I shall get it. The item will stand.

Sir EUGENE FISET: Before we leave this would the minister inform me if the repair work undertaken on the Rimouski wharf has been completed, and if it is intended to carry on further repairs on the wharf itself out of the general vote?

Mr. STEWART (Leeds): That information also is not available, but it will be procured and given at the same time.

Mr. CASGRAIN: Do I understand that item 109 stands, the whole item?

Mr. STEWART (Leeds): Yes.

Item stands.

ONTARIO

Under contract—
Blind River—dredging, $27,700.
Essential undertakings—
Byng inlet—dredging, $40,000.
Cloud bay—wharf, $5,000.
Fort William—dredging, $28,000.
Owen Sound—harbour improvements, $13,000.
Port Hope—harbour improvements, $9,000.
Toronto—harbour improvements, $12,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $100,000.

Mr. GOLDING: Mr. Chairman, I would like to ask the minister if he has taken into consideration my request in regard to the situation at Bayfield, Ontario. The pier and the dock there are in very bad shape, and two lives were almost lost last fall as a result of the condition. I am not asking the department to spend any money unnecessarily, but I would be grateful if the minister would take that into consideration.

Mr. STEWART (Leeds): My hon. friend has made representations. I do not know exactly the extent of the repairs required or whether the work can be done out of this general vote. If it can be done in that way it will be done, but there is no special provision for it here.

Mr. GOLDING: I want to thank the minister; I know he will look into the matter.

Item agreed to.

Saskatchewan, Alberta and Northwest Territories — harbours and rivers generally — for maintenance of services, no new works to be undertaken, $10,000.

Mr. GERSHAW: I should like to direct the attention of the minister to the fact that a bridge is very badly needed across a river near the town of Empress at the junction of the provinces of Alberta and Saskatchewan. The people of that district have had three or four bad crops, and the construction of this bridge and the building of the approaches would provide work for many farmers with their teams and many day labourers as well. This bridge is on a main highway; it would be of great service to tourists and would be of particular help to the farmers in that district. The river is crossed by a ferry at that point, which is very unsatisfactory. This matter has been before the various departments for two or three years, and I should be very glad if the minister could give some indication as to whether such a work could be considered and the steps that should be taken in order to have the department undertake it.

Mr. STEWART (Leeds): A bridge wholly within a province—

Mr. GERSHAW: This is between two provinces.

Mr. STEWART (Leeds): —or between two provinces is not in the first instance a dominion matter. The only contribution the dominion ever makes is when the two provinces get together and agree as to the necessity for the construction of the bridge. They agree to contribute to the cost; they approach the dominion and in some instances, where the traffic is heavy and circumstances warrant, some contribution is made by the dominion. This is never done on the initiative of the dominion; it must be started by the provinces concerned, who must agree as to the need for the work and as to their contribution to the cost, and in some instances the dominion makes a contribution.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, February 21, 1934

The house met at three o'clock.

PETITION

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I beg to lay on the table of the house a petition on behalf of tabacco growers—signed by a few hundred persons—of the parish of St. Marie-Salomé, Montcalm county, strongly protesting against the proposal of levying an excise tax of 20 cents per pound on the sale of leaf tobacco.

PRIVATE BILL

FIRST READING

Bill No. 16, respecting the Canadian Pacific Railway Company.—Mr. Davis.

CANADIAN NATIONAL RAILWAYS

Hon. R. J. MANION (Minister of Railways and Canals) moved for leave to introduce Bill No. 17 respecting the appointment of auditors for national railways.

Mr. MACKENZIE KING: Explain.

Mr. MANION: I find I have not a copy of the bill before me, but I think I can give an explanation. This bill is to provide for the appointment of auditors, according to the act of last year.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRINCE ALBERT NATIONAL PARK RELIEF CAMPS

Mr. VALLANCE:

What amounts were paid to Mr. R. R. Manville, or to the Manville Hardware Company, Limited, both of Prince Albert, Saskatchewan, in connection with the furnishing of supplies, material, equipment or otherwise, out of unemployment relief funds, or the supplying of any such material to camps in Prince Albert national park?

Mr. MURPHY: $11,662.97.

Mr. VALLANCE:

What amounts were paid to Mr. G. Braden of Rosthern, Saskatchewan, out of unemployment relief funds, by way of wages, salary or otherwise, in connection with unemployment relief work in Prince Albert national park, from the inception of the camps to date?

Mr. MURPHY: None.

HOUSE OF COMMONS, PENSIONS PAID TO MEMBERS

Mr. COTNAM:

1. Do any members of the House of Commons receive, or has any member of the House of Commons received a pension for war service?
2. If so, who are such members and what is the amount of the pension each has received or is receiving?
3. On what dates were such pensions granted?
4. By what body was each of such pensions granted?

Mr. MacLAREN:

1. Yes.
2.

Mr. W. G. Ernst:

From 13-6-19 to 30-9-19 at $ 7.50 per month
From 29-5-20 to 29-4-23 at $ 7.50 per month
From 30-4-23 to 3-5-24 at $10.00 per month
From 4-5-24 to 9-10-25 at $13.00 per month
From 10-10-25 to 30-9-33 at $14.00 per month
Continues in effect.

Mr. G. R. Geary:

From 25-3-19 to 22-3-27 at $ 5.25 per month
From 23-3-27 to 24-1-28 at $ 6.50 per month
From 25-1-28 to 31-8-28 at $ 7.25 per month
From 1-9-28 to 10-3-30 at $14.50 per month
From 11-3-30 to 30-9-33 at $16.00 per month
Pension discontinued at his request.

The Hon. I. A. Mackenzie:

From 25-9-29 to 30-9-29 at $ 8.33 per month
From 31-10-29 to 31-1-34 at $ 8.33 per month
Continues in effect.

The Hon. R. J. Manion:

From 10-2-18 to 28-2-19 at $16.67 per month
From 1-3-19 to 30-6-19 at $ 8.34 per month
Pension discontinued at his request.

Mr. C. G. Power:

From 11-1-18 to 12-6-18 at $46.00 per month
From 13-6-18 to 13-6-19 at $52.00 per month
From 14-6-19 to 31-8-19 at $56.00 per month
From 1-9-19 to 31-8-20 at $62.00 per month
From 1-9-20 to 9-9-29 at $68.00 per month
From 10-9-29 to 31-1-34 at $64.00 per month
Continues in effect.

Mr. J. H. Stitt:

From 7-9-20 to 24-9-20 at $11.50 per month
From 25-5-21 to 26-2-22 at $11.50 per month
From 27-2-22 to 30-9-24 at $13.00 per month
From 1-10-24 to 31-5-25 at $32.50 per month
From 1-6-25 to 31-1-31 at $19.50 per month
Discontinued 31-1-31, at his request.

The Hon. D. M. Sutherland:

From 14-3-19 to 30-4-21 at $19.50 per month
From 1-5-21 to 31-3-27 at $26.00 per month
From 1-4-27 to 31-1-34 at $32.50 per month
Continues in effect.

3. Answered by No. 2.
4. The Hon. I. A. Mackenzie by the Federal Appeal Board, others by the Board of Pension Commissioners for Canada.

UNEMPLOYMENT RELIEF, SUPPLIES TO SUNBURY CAMP

Mr. MICHAUD:

1. How many pairs of boots were supplied to the unemployed at the unemployment relief camp at Sunbury, New Brunswick, since the opening of such camp?
2. Where were such boots manufactured, from whom were they purchased, how much was paid to the seller per pair?
3. Were tenders called or invited for supplying the boots required for the said camp?
4. If so, what are the names of persons or firms tendering, and the amount of each tender?

Mr. SUTHERLAND:

1. Ankle boots—nil; lumbermen's rubber boots—758 pairs.

2. At the Canadian factories of the following firms: Gutta Percha and Rubber Company; Northern Rubber Company; Woodstock Rubber Company.

Prices paid were as follows: Size 5, $1.28 per pair; other sizes, $1.60 per pair.

3. Yes.

4. Canadian Goodrich Company, Kitchener, Ont.; Dominion Rubber Company, Ltd., Montreal, Que.; Goodyear Tire and Rubber Goods Company, New Toronto, Ont.; Gutta Percha and Rubber Company, Ottawa, Ont.; Miner Rubber Company, Granby, Que.; Northern Rubber Company, Ltd., Guelph, Ont.; Woodstock Rubber Company, Woodstock, Ont.; Columbus Rubber Company, Montreal, Que.; Independent Rubber Company, Montreal, Que.

Tenders were received from all the above named firms, except the Goodyear Tire and Rubber Goods Company, and all firms quoted the same price as shown in the answer to question No. 2.

MR. JEAN BRUCHÉSI

Mr. POULIOT:

Under the terms of his appointment as attaché as secretary to the Postmaster General during his trip in Egypt, has Mr. Jean Bruchési the right to have telephone calls and wireless messages paid by the state?

Mr. DUPRE: Yes, within the limits of the authority of the order in council appointing him as attaché to the Canadian delegation.

RURAL MAIL BOXES

Mr. VENIOT:

1. How many rural mail boxes were on hand at the end of the fiscal year 1932-33?

2. How many rural mail boxes are on hand at the present time?

3. Were tenders asked for when 10,000 mail boxes were purchased?

4. If so, what tenders were received and what was the amount of each tender?

5. What is the name of the contractor who was successful?

Mr. DUPRE:

1. 25,210.

2. 23,670.

3. No.

4. Answered by No. 3.

5. Amédée Lesieur, Montreal.

POST OFFICE DEPARTMENT, DEPARTMENTAL SECRETARY

Mr. POULIOT:

1. Is there a departmental secretary in the Post Office Department?

2. If so, what is his name?

[Mr. Sutherland.]

Mr. DUPRE:

1. No.

2. See answer to No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOLD EXPORTS

Mr. REID:

1. What amounts of gold were exported or left Canada during the twelve months of 1933: (a) in bullion; (b) in coin; (c) any other form?

2. What amounts of gold were shipped out of Canada during 1933 by the various banks: (a) in bullion; (b) in coin; (c) any other form?

3. What amounts of gold were shipped out of Canada by the Dominion government, during the above period: (a) in bullion; (b) in coin; (c) any other form?

4. What amounts of gold were shipped during each month of 1933, showing the respective amounts shipped to the various countries?

ST. JEAN PORT JOLI, QUE., WHARF

Mr. FAFARD:

1. What were the costs of repairs to wharf at St. Jean Port Joli, L'Islet county, during 1932 and 1933?

2. Who furnished the lumber and to what amount?

3. Who was the foreman in charge of the work and what amount did he draw in salary?

4. What amount was paid to labourers and carpenters?

Mr. STEWART (Leeds): Return tabled herewith.

ISLE VERTE, QUE., WHARF

Mr. POULIOT:

1. What amount was voted last year for alteration or reconstruction work of the Isle Verte wharf, Témiscouata county, Quebec?

2. What amount has been spent?

3. What are the names of the men who were employed on this work and the amount paid to each?

4. What are the names of those who supplied the materials required?

5. What amount was paid to each, and for what material?

Mr. STEWART (Leeds): Return tabled herewith.

GOVERNMENT TRANSLATORS

Mr. DUPUIS:

1. What are the names and salaries, respectively, of the translators in each of the departments of the federal government, also in the Senate and the House of Commons?

2. Are these translators subject to promotion rules, and are they expected to pass examinations for promotion?

3. If so, what is the salary for each grade and what is the maximum salary in each of the departments?

4. In each of the departments, how many technical translators are there, and what is the name and salary of each?

5. How many translators are allotted for the translation of Hansard; who are they and what is their respective salary?

6. Are the Hansard translators permanent employees, and if so, are they absorbed in the different departments when parliament is not in session?

7. What are the hours of work of the Hansard translators?

8. For the translation of the speeches delivered during a meeting of the House of Commons, do these translators start their work as these speeches are reported and corrected at the central bureau of debates, or do they start the translation only the following day?

9. When are these speeches, so translated, sent to the printing bureau for the printing of the French edition, non-revised, of the debates?

MOTIONS FOR PAPERS

BAGOTVILLE, QUE., POSTMASTER

Mr. MACKENZIE (Vancouver Centre) (for Mr. Casgrain):

For a copy of all correspondence, reports and documents, in connection with the appointment and dismissal of Mr. Jos. C. Levesque, postmaster at Bagotville, and also for a copy of all correspondence, reports and other documents relating to an inquiry held in connection with charges made against said J. C. Levesque, including the proof and evidence of all the witnesses heard at said inquiry together with the decision arrived at by the commissioner who held said inquiry.

Mr. DUPRE: I think this order should stand until the hon. member for Charlevoix-Saguenay (Mr. Casgrain) is present in the house.

Motion stands.

PETITE RIVIERE AU RENARD WHARF

Mr. BRASSET:

For a copy of all government pay lists in connection with work done by the Public Works department at the wharf, or breakwater of Petite Rivière au Renard, Gaspé county, during the year 1931-32, under superintendent of works, Charles Bernatchez; also for a copy of all pay lists in connection with work done on the wharf of Rivière au Renard, during the winter of 1933, under superintendent of works, Anthime Dufresne.

MR. EDGAR BOUTET

Mr. POULIOT:

For a copy of the order in council appointing Mr. Edgar Boutet as secretary of the executive in the Post Office Department.

SPECIAL SECRETARY TO POSTMASTER GENERAL

Mr. POULIOT:

For a copy of the work prepared by the special secretary to the Postmaster General, changing the printed itinerary sent by the travel agencies for the Canadian delegation to the congress at Cairo.

Mr. SPEAKER: This order will be struck off the order paper. The motion is out of order. As a matter of personal work between the Postmaster General and his secretary, it does not concern the house.

PRIVILEGE—MR. YOUNG

Mr. E. J. YOUNG (Weyburn): I wish to speak to a question of privilege. On Thursday last, February 15, at page 602 of Hansard, the hon. member for Winnipeg North Centre (Mr. Woodsworth) is reported as follows:

The hon. member for Weyburn (Mr. Young) is reported by the Weyburn Review, of November 2, to have stated:

Then he quotes the newspaper:

Referring to the Beauharnois case, Mr. Young said money had been sent by this corporation to Winnipeg to help the C.C.F.

Then the hon. member made this comment on that quotation:

I hope the hon. member for Weyburn made no such statement, as it is absolutely untrue.

That is not exactly what I said. What I said was that the Progressive party did not get very much money from Beauharnois but that a small amount had been sent to Winnipeg for certain members of the party, and those members are to-day going around the country denouncing other people for doing the same thing they did. If my hon. friend had read a little further in the press report he would have seen that I also said that these gentlemen did not do anything wrong in taking the money.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): As a matter of privilege, Mr. Speaker, I absolutely deny that either of the Labour men from Winnipeg received any money whatever—

Mr. YOUNG: I did not say so.

Mr. WOODSWORTH: —or the C.C.F. in Winnipeg. It received nothing whatever and the statement now made on the floor of the house is untrue. I ask therefore that the hon. member retract.

Mr. YOUNG: I am afraid the hon. member for Winnipeg North Centre did not hear me correctly. I did not say that the Labour

members for Winnipeg got any money, I said, certain Progressive members now calling themselves the C.C.F.

Mr. WOODSWORTH: To the best of my knowledge, there are no Progressive members in Winnipeg. I ask, as president of the C.C.F., that that statement which has been made, and which is untrue, be withdrawn.

Mr. YOUNG: In answer to what my hon. friend has said, I think that all he can do is to speak for himself and the party he leads. If he wants confirmation of my statement I would refer him to page 828 of the evidence taken before the Beauharnois committee.

Some hon. MEMBERS: Read it.

Mr. SPEAKER: The hon. member for Weyburn has made a sufficient explanation.

Mr. WOODSWORTH: There are only two members of the C.C.F. in Winnipeg. The statement has been definitely made that members of the C.C.F. received money—

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: —and I ask that that statement be withdrawn.

Mr. SPEAKER: The hon. member for Weyburn (Mr. Young) made no statement concerning the hon. member for Winnipeg North Centre personally. If he chooses to say that certain political parties did or did not do certain things there is no question of privilege about that. He has a right to make such a statement, whether correct or not.

Mr. WOODSWORTH: I hope that ruling will not be altered the slightest in Hansard.

PUBLIC WORKS ESTIMATES

Hon. P. J. VENIOT (Gloucester): When the estimates for the Department of Public Works were under consideration on the 16th instant, just as we were closing that evening's session, I made certain remarks which are reported in Hansard, at page 686, as follows:

> Mr. Veniot: Before the committee rises I should like to remind the minister that I submitted a request, by way of a motion, for the production of certain papers in connection with the Shippigan wharf. If that report has been submitted I have had no knowledge of it. I wish the minister would have it ready when his estimates come up again.
>
> Mr. Stewart (Leeds): I will inquire and see that it is brought down as soon as possible.
>
> Mr. Veniot: I cannot discuss the matter intelligently unless I have that information.

I remained in the house last night until after ten o'clock. Not feeling very well, I retired earlier than it has been usual for me to retire, believing that, the minister not having submitted that report, the estimates for New Brunswick would not be taken up or, if called, would be allowed to stand until the report had been presented to the house. I understand that report has been laid on the table to-day but I have not had an opportunity of discussing the estimates. Owing perhaps to a misunderstanding between the minister and myself, and inasmuch as I was under the impression that the estimates for New Brunswick would not be dealt with until that report had been submitted, I have had no opportunity of discussing the estimates for that province. I now claim the right as a member, when the supplementaries come up, not to be debarred by the rules of the house from discussing the general estimates of the province.

Hon. H. A. STEWART (Minister of Public Works): In reply to my hon. friend from Gloucester, I do not ask him to wait until the supplementary estimates come up. I shall be very pleased to give him an opportunity to present his views on any item that may come up in the estimates the next time. I am sorry if there has been a misunderstanding.

UNEMPLOYMENT INSURANCE

PROPOSAL TO ADOPT SYSTEM NATIONAL IN SCOPE

Mr. A. W. NEILL (Comox-Alberni) moved:

> That, in the opinion of this house, the most effective way to ensure protection during periods of unemployment, which unemployment insurance should provide, is to make such legislation national in its scope.

He said: I do not propose to do more than just outline this important matter, because I am advised that there are quite a number of members on both sides of the house who wish to debate it. Therefore I will shorten my remarks to give them an opportunity, with their superior eloquence, to press home various points in connection with it. To anyone outside the house it might appear that the wording of this resolution is somewhat weak inasmuch as it makes no specific request or demand on the government to evolve a system of unemployment insurance, but those of us who are in the house know that had the resolution been more specifically worded, there might have been a danger of its being ruled out of order under the rule which prohibits private members from bringing forward any resolution involving any large expenditure of public money.

When this subject of unemployment insurance was first brought up in the house, its sponsors were regarded more or less as fanatics

and we were threatened with the terrible consequences that might happen and were pointed to Great Britain where they had that thing which was regarded as so horrible, the dole, which was represented as a sort of mixture of anarchy and nihilism. But times have changed; we have seen money spent even in Canada for the worst form of dole, not by millions but by the hundreds of millions, and without any safeguard for preserving the morale of the recipient, such as they have at least to some extent in Britain where the man knows when he does work, he contributes somewhat to the support of the system by daily payments. Britain, of course, fell into the error of not recognizing that she had a national emergency to deal with and she tried to unload upon what was a quite solvent but limited system of unemployment insurance, almost a national catastrophe which the system was totally unable and never was intended to carry.

The illustration would be something like this: Supposing an insurance company doing a good business in a province and with a strong reserve thoroughly capable of paying all its obligations out of the premiums collected, suddenly decided that in future it would make payments to everybody who died in the province whether they had paid premiums or not. The inevitable result would be almost immediate bankruptcy and that was what took place in Britain, but she has since recognized that and has reorganized her unemployment insurance system, drawing a line of demarcation between the normal ebb and flow of unemployment and what might be called a national condition. The system she now has of unemployment insurance is thoroughly solvent and likely to continue so. It is such a system that we ask. We do not expect or suggest that the government can at the present time produce a scheme that will attempt to cover a national emergency such as we have had in Canada during the last two or three years. I emphasize this because I know that will be an objection raised against the proposal. We shall be told it is now impossible to do anything of the kind because it would mean such an enormous expenditure. I might quote the Minister of Railways (Mr. Manion) as an illustration. Speaking with his usual airy nonchalance on February 13, of this year, he said:

> I say to the hon. gentleman that unemployment insurance could not be proceeded with in any country in the midst of a depression such as we have been passing through; at a time like this it would be impossible to create such a scheme. A time will come without doubt when this subject will have to be considered, and either insurance or something to take its place instituted in order to look after unemployed people in times such as these.

At the time he made that remark, there immediately occurred to me the illustration which was used by the hon. member for Winnipeg North Centre (Mr. Woodsworth) a day or two later, of the Irishman who could not repair his roof when it was raining because he would get wet and when the weather was fine, what was the use of repairing the roof, because the wet was not coming in? If anyone would not be galvanized by the experiences we have had during the past two or three years into taking steps dealing with unemployment insurance, there would not be much hope or likelihood of his taking any measures when conditions improve, because just like the Irishman he would say: We do not need to do anything just now. But as the hon. member, being a doctor, knows, when a man is taken seriously sick, it is wise and proper for him to call in medical help, but pending the arrival of the medical man, it is also wise and sensible for him to employ methods of first aid of which the medical profession is the first to acknowledge the benefit, and unemployment insurance is an excellent palliative of the ordinary, normal amount of unemployment. When the national catastrophe came along it would certainly ease the strain to no inconsiderable extent if a well organized system of unemployment insurance were in existence capable of taking up to the full the normal unemployment and it would possibly be the basis of an organization that might be very useful in extending its operations.

I have not been interested in this subject to any extent prior to the last seven years. Prior to that time I considered that the introduction of the old age pension was of more immediate importance and I did not give this subject very much thought, but since then times have been moving and we have received much more support for the idea than formerly. For one thing, we have experience behind us. In 1919 only one country in the world, Britain, had any really national unemployment insurance system; now there are nine countries covering some 42,000,000 people and there is no evidence that any of those countries are prepared or anxious to take or are looking towards taking retrograde steps. Some of them have increased the scope and they seem to be satisfied with the system as it exists.

The idea has been endorsed from time to time by many public bodies. I am not going to quote them, but shall instance one or two. I have here a resolution from a Conservative association on Vancouver island; another from

the city council of Vancouver; another from a large gathering of ex-service men from all parts of British Columbia; another from the Synod of the Toronto Diocese of the Church of England; another from the Canadian Congress Journal.

Mr. GUTHRIE: Will the hon. gentleman kindly read one of those resolutions?

Mr. NEILL: This is one:

The Synod of the Toronto Diocese of the Church of England meeting in Toronto during the past month, passed a resolution calling on the Ontario government to take the lead in reopening discussions between the federal and provincial government on the question of contributory unemployment insurance with a view to establishing the same in Canada.

The others were along the same lines. I think most of them suggest a contributory system and the Canadian Congress Journal did the same. While I have not positive proof, I believe the departmental officers of the Minister of Justice some years ago gave their opinion that such a system should be national in its scope to be effective to any profitable extent. In addition I forgot to mention that there was a representation from the Winnipeg and District Labour Unions Unemployment conference. It would appear this is a body that comprises representatives from forty-eight different labour unions and eleven unemployment associations in municipalities adjacent to Winnipeg, so that it covers a very large number of men. We have as the last and perhaps the most important, the endorsation of the Prime Minister (Mr. Bennett). On April 29, 1931, the hon. member for North Winnipeg (Mr. Heaps), as reported on page 1099 of Hansard, introduced a resolution asking for the immediate inauguration of a system of that kind and the Prime Minister spoke very fully on the subject, giving a careful analysis of the situation. He indicated a willingness to allow the resolution of my hon. friend to go through at that time if he would make certain amendments, and these are the amendments he suggested: he wanted the word "immediate" struck out of the resolution, and he wanted the word "contributory" put in to indicate that it would be on a contributory basis. Further, he wanted it dependent on satisfactory arrangements being made with the provinces. On that basis he indicated his willingness to let the resolution go through, although I think it was ultimately talked out without coming to a vote. Also on page 1103 he expressed his view that anything of the kind would need to be federal in its scope. He then gave a pledge, which I want to quote in full. He said:

[Mr. Neill.]

I propose, if we are spared as a government and as individuals, that the information we will have before our term of office is ended shall be crystallized into the form of legislative proposals to be submitted to this house.

Further on he said:

—I say to him on behalf of the administration that, at the earliest possible moment consistent with obtaining information that is essential to make any measure of social insurance worth while, we will use that information for the purpose of preparing and submitting to this house a measure embodying the views I have expressed.

Then in the fall session of 1932, on November 22, at page 1453, the subject came up again, and the Prime Minister again reviewed the situation. He recalled the remarks he had made on the occasion to which I referred; he spoke of the difficulty due to provincial jurisdiction, and he said:

But that difficulty is one that can be overcome.

And further:

It has been the purpose of this government to call an interprovincial conference between now and the date of the reassembling of this house, to discuss with the representatives of the provinces of Canada this and other problems.

Then he commented on the fact that the information gathered in the census was not yet available and said that he desired to have that information before taking action. He closed by saying, "this was my statement," and he repeated the statement he had made on the prior occasion. He ended by saying, "I merely rise at this moment to reiterate and restate it." So he was carrying along the same position. That was the fall of 1932.

The next day I took the opportunity to congratulate the Prime Minister on his action, and I said that—

I receive the intimation with hope and gratitude, tempered with the assumption that the bill will be a workable and equitable one. I also agree with him that it would not be practicable unless it were on the basis of a contributory system.

That hope and gratitude is beginning to wear a little thin; hope deferred maketh the heart sick. However, I still have hope although in a modified degree.

At the next session, in the spring of 1933, on the orders of the day I asked if any statement could be made of the government's policy, and I was told that in a matter of such importance it would have to be put as a formal question. I did so; on the 27th of February I made formal inquiry whether the government was prepared to make any announcement of its policy along the lines of the declaration made on the 29th of April.

1931, and I was told the answer was, no. This is found at page 2486. A little later, on the 20th of March, 1933, at page 3166 I brought the matter up again and pressed for further information, and recited some of the matters I have already alluded to. The Minister of Labour answered me—at least gave an ostensible answer—he told me, at page 3266:

> The hon. member for Comox-Alberni, I take it, would like to know whether a measure of that kind will be brought before the house this session. I can tell him it will not.

He went on to say that the government would not be justified in taking hurried action, and fell back on that grand old stand-by, honoured by repetition ever since we have had parliamentary government, that "the matter is under consideration by the government." I was not satisfied with that and pressed for further information, but did not get it. A day or two later I brought the matter up again and pressed for some information. I pointed out that they had had this interprovincial conference, in fact, had had two, and I wanted to get some information; I said we were entitled to it, that we were not required to trust to political gossip in the corridors but were entitled to know what the conference had done. I asked, what had taken place? Did some provinces prove belligerent and say: We will not do anything—? If so, we might hesitate in giving them large sums for relief. Or was a reasonable proposal put up, and did eight out of the nine agree? Did just one or two of them hold out? Were they unwilling to subordinate their jurisdiction without any quid pro quo, or was any reasonable scheme suggested? At that stage the chairman found that I was out of order, although there had been ample scope allowed to the minister.

Still later in the debate the Minister of Labour spoke again and said that the matter had been discussed at the conference but that they had agreed not to show their hands, not to tell what each province thought about it. He said the subject was seriously discussed from many angles and the matter was still under the consideration of the government; that being very much the position we started from. I think that was about all the discussion in the house. We got no definite information.

As far as we know, that is the situation. We can only go by what we are told in the house. We hear rumours, but we are not entitled to give them credence. There was no mention of any legislation of this character in the speech from the throne, which as we all know is supposed to declare and announce the legislative program to be brought down by the government. I think this year it amplified more than is usually the case the subjects to be dealt with, but there was no mention whatever of this, which would be an important piece of legislation, so I think we are justified in concluding that it is not in the mind of the government at the present time to bring it down at this session. If so, what becomes of the pledge given in April, 1931, three years ago?

> —that the information we will have before our term of office is ended shall be crystallized into the form of legislative proposals to be submitted to this house.

There might be a play on words, though I think it would be unworthy of the government; they might say; Our term of office may continue for twenty years, and there is lots of time. But of course in the ordinary acceptation of the words, "term of office" means the existing term, the only one concerning which the Prime Minister was in a position to speak with authority; to-day is ours, to-morrow is not. So when he said "before our term of office is ended" he must in all fairness be considered to have meant the existing term of office. He may enjoy many more terms, but those will be different terms from this term. We are asking to see this legislation crystallized, not into resolutions or expressions of opinion, but into legislative proposals, as the Prime Minister said. Now this is the last session of this term of office.

An hon. MEMBER: How do you know that?

Mr. NEILL: Did an hon. gentleman say "no"? Do they not know that? Perhaps they do not want it to be the last term, but I assert without any fear of contradiction that my prophecy will prove correct that this will be the last term. If hon. gentlemen differ from that opinion, I refer them to, I think, the sixteenth chapter of Matthew where the Pharisees were told:

> Ye can discern the face of the sky; but can ye not discern the signs of the times?

From an observation of the signs of the times I venture to make the prediction I have just made. Apart from that there was also the pledge to bring in a measure at the earliest opportunity. That was three years ago. Since then we have had a conference every year, and there was even a special conference in the fall of 1932 or early in 1933 to consider this one matter.

Now I am just about to finish, Mr. Speaker. We want a national system, and above all we want action with a great big A. We want something definite and effective. I might quote the Canadian Congress Journal, which says what they do not want:

> It may be considered good politics to enact federal legislation that is not likely to be made effective for years to come, but the workers of Canada will emphatically refuse to accept as satisfactory any measure not administered equally, on an equal basis throughout the dominion, and which affords to unemployed workers the same protection whatever part of the dominion they may reside in.

The suggestion has been made that the government may bring in a sort of tentative proposal; that is to say, they might offer to contribute a certain sum, perhaps 25 per cent, towards the cost of any legislation enacted by the provinces, leaving the matter entirely up in the air, entirely ineffective and only the merest gesture. I do not say the government has that in view; I am only deprecating the idea if it should be proposed by anyone.

In my view, Mr. Speaker, if the blame lies with the provinces it is the duty and the privilege of this government to tell us who is the guilty party, so that in our respective provinces we may bring the necessary pressure to bear. Which government is opposing it, and why? Were the provinces asked to surrender their jurisdiction with no equivalent return at all? If that is the case you cannot blame them for refusing. Or was there a reasonable, well-thought-out scheme of dominion-wide unemployment insurance submitted to them, to which they were asked to subscribe? If that is so, what was the offer and why did they not accept it?

There are ways of carrying out this scheme other than those I have indicated. We know the system must be federal, but the government can take other methods. I read in the press that an unemployment insurance bill designed to fit the United States system of government has been introduced by Robert F. Wagner, who is chairman of the N.R.A. national labour board. In a strict sense it does not provide unemployment insurance, but it makes it very desirable for the different states to institute such a scheme. Under this act it is proposed that the federal government will place a federal tax on the payrolls of all employers throughout the United States, but if the employers contribute anything to a state system of unemployment insurance they will not have to pay the tax. You see what the effect will be; pressure will be brought to bear in each state to have such a law enacted, because the employers will say to themselves, "We are paying this sum, so we might as well have a state system instead of paying to the federal government." That scheme also has the great advantage that it does away with the strong and reasonable objection that it would not do to have one state put in such a system while the next state did not do so, because that might increase the cost to industry and interfere with interstate traffic. If this law is passed in the United States that objection will be met. I do not say that is the way the dominion should act, but this illustrates the fact that where there is a will sometimes a way can be found.

The other day the hon. member for Selkirk (Mr. Stitt), during the course of some remarks on another subject, said he did not want any pious platitudes. Certainly we do not want any in this case. Shakespeare says there are seven stages of man, and as a rule there are seven stages in any legislative reform coming up from the people, so to speak. First of all there is a speech in the house by someone who is written down as a crank. In a year or two a little more strength is developed and a resolution is brought in, which is voted down; perhaps it is given the six months' hoist. Then it gathers still more strength and goes to a committee, which jollies along for a couple of years, making namby-pamby reports, but finally recommending it to the house. Then it comes to the house and there is a conference or two, which take up another year or so, while the government tell us that the idea is being considered. Then there is a pledge that legislation will be introduced and finally, at long last, the legislation itself is brought down. We have passed through all these prior stages of incarnation; now we want to reach the final stage of creation, of being born, not again, but for the first time.

Before I sit down I should like to add just one word. I hope the government and the Prime Minister—if he were here—will not suppose for a moment that I am making any sort of attack on them. After they have been in power for a number of years governments sometimes get the idea that any comment and almost any inquiry about anything they are doing or have not done is instigated by some desire to make a political attack on them. This subject is far too big for that. I recall that I was the first member in the house to applaud the right hon. Prime Minister when he announced his intention of bringing in this legislation, and I would be only too happy to be the first not only joyfully to applaud but to proclaim in the district which I represent that this was his

action, and to give him the fullest credit if he will bring in such a measure so long as it is practical and sound and meets the purposes for which this resolution is put forward.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, it gives me a great deal of pleasure to support every word uttered by the hon. gentleman who introduced this motion. I was struck by his observation that a few years ago this was considered a radical move. I think up to four years ago the English dole was a by-word in this country; the general observation was, "We do not pay our men to be idle; we pay them to work." If your memory goes back, Mr. Speaker, you will remember the commissions that were sent from Great Britain to the United States to analyze what they considered was the solution of the golden age. They thought that they had reached the stage where they could manage men and control machines, but in their practical experience they found that their analyses were not sound. To-day in the United States we hear language almost akin to the pre-insurance age language in Great Britain.

It is quite true that many still consider legislation of this description paternalistic; in fact some go so far as to say that it is even socialistic, but in the practical problems arising out of this depression I think it has been borne out by experience elsewhere that a sound system of unemployment insurance, worked out in conformity with the problems confronting the various countries, is not a palliative but an absolute essential in the life of any industrial nation. We regret very much the oft-repeated observation that this is a palliative. Every legislative action we have ever taken might be termed a palliative, but I believe this to be an essential. If a great many of those people who advocate this form of legislation would forget the word "palliative" and call it an essential and an absolute necessity, the progress in this country would be much greater than it has been in the past. I should like to say, also, that in the midst of this depression we have forgotten some of the very real problems which existed in Canada even in the so-called prosperous years of 1928 and 1929, problems of a type which face every country of the world which has adopted a policy of dense agricultural and industrial production. We are apt to forget those things, and in the event of our getting back to days equivalent in normalcy to those of 1928, it will be necessary to have legislation of the description now before us to meet the situations which inevitably arise. I have no patience with those who say that this is not the time to introduce a scheme of this description. In my judgment this is the psychological moment to institute such a scheme, possibly on a comparatively small scale, so that we may build up through the practical experience which we would gain in its operation. I believe that is the best policy which could be pursued.

The men and women engaged in Canadian industry are tired of the promises which have been made that this kind of legislation would be introduced. Every once in a while a statement is made by those who have the power to implement promises to the effect that consideration is being given to the introduction of legislation of this description. I remember that in the election campaign of 1930, in which I took part, my opponent had cards printed on which was the statement that he would be in a better position, if elected, to implement his promise of unemployment insurance, than I would be. I believe it is well nigh time the government brought down legislation having for its purpose the establishment of such a scheme.

I am not unmindful of the fact that the scheme has been bandied from one responsible authority to another, and that there is a suggestion that it does not come within the jurisdiction of the British North America Act or the federal government. But we should remember that at the time of the drawing up of the British North America Act, which governs the relationships between the various governments of Canada, insurance of this type was not contemplated. I do not believe the framers of the act ever dreamed that this country would have such extensive industrial development, and that it would be confronted with the unemployment problem with which we are faced to-day.

I have before me a report of the select standing committee on industrial and international relations. I find that in the year 1921, in an order in council, No. 2722, it was definitely stated that legislation of the type we are now considering comes within the province of the federal government. Recommendation (b) dealing with unemployment insurance is as follows:

> The minister observes that the experience of other countries has demonstrated that a system of unemployment insurance, in order to be effective and successful, must be merely ancillary or complementary to a system of labour exchanges, the whole being adapted to the principal function of finding work for unemployed insured workmen. In this view, unemployment insurance has a pronounced federal aspect, and on the whole, the minister thinks the establishment of a system of unemployment insurance is competent to the

dominion in the exercise of its residuary legislative power with relation to the peace, order and good government of Canada.

I think that position is a sound one. This type of legislation differs, fundamentally, from workmen's compensation legislation, and from other laws of a social character which can be operated by provincial legislatures. I mean simply this, that there is the problem of the workman going from one province to the other in search of work. We have the problem of working out benefits of a type which will be the same in every province of the dominion. If legislation of the kind here suggested were developed on the same basis as workmen's compensation legislation or legislation for old age pensions we would greatly impede the mobility of men and women who go from one end of this dominion to the other in search of work. I object strenuously to the British North America Act being used as a brake in regard to legislation affecting the working people of Canada. If we had a war I do not think we would bother very much about the British North America Act, and in my view conditions arising out of unemployment are just as serious if not more so, than those which would be brought about by a war. I think, so far as this country is concerned, the question is moving towards clarification in the minds of those who would otherwise oppose the introduction of a scheme of this description. In my judgment we have not been told enough in this House of Commons about those who are the culprits, if I may use the term, or those who are really responsible for obstructing the progress of such a proposed measure.

I have in my hand a clipping from the Ottawa Journal of to-day which carries a news item concerning a delegation from the Alberta Federation of Labour, which met the government of that province yesterday. The news item states that Premier J. E. Brownlee told a delegation that waited upon the cabinet to-day from the Alberta Federation of Labour that the government has consistently favoured the idea of an unemployment insurance scheme. The news item reads in part as follows:

> All the western provinces have agreed to give up their constitutional rights, he remarked, in order to make the legislation possible, and he understood the dominion government is now working on an act along that line.

I hope the sentiments contained in that newspaper item will bear fruit this afternoon when the minister rises to speak in this debate, and I hope, further, that he will be able to say that the government of Canada has at last reached the conclusion that legislation of this description should be brought before the House of Commons at this session.

The argument has often been used that the cost of social insurance would be of such magnitude that it would entail too great a burden on Canadian industry. I should like to outline to the house the experience the British government has had in this connection. The 1929 Balfour committee, appointed by a Conservative government, went thoroughly into this contention. They considered very carefully the average cost to industry of social insurance in that country. They concluded their report with the following:

> The annual payments of employers in respect of other social services (unemployment and health insurance, workmen's compensation and contributory pensions) amounted to about £50,000,000. The resulting charge which enters into the cost accounts of productive enterprise may be estimated as being on the average rather less than one per cent of the value of gross output.

The question was studied in Belgium, and in that instance Professor Cardyn of the University of Louvain found a similar low percentage of cost in respect to Belgian industry. The total expenses of family allowances, pensions and social insurance in Belgium, although they amounted to about 5·5 per cent of the direct wages, involve an additional cost of only 0·9 per cent on all commodities produced in that country. I think this is a fair indication of the cost which would be apportioned to industry should such an insurance scheme be instituted in this country. There is an added feature in connection with a scheme of this description in the stabilization of costs and wages which follow therefrom.

I was in England last year for the first time since I left there as a boy, except during the war, and I was struck by the tremendous improvement in the living standards of the working people. I was one of nine children; my father was a mechanic and I have a vivid recollection of the terrific struggle put up in those days by a working class family. They did not have the advantage of the social insurance which exists to-day. One of the most significant factors in connection with the introduction of these insurances in England has been the redistribution of wealth which has occurred. There has been a maintenance of spending power in and out of depressions. There are millions of pounds in circulation in Great Britain to-day which under normal conditions would be in the banks and strongboxes of the country. In effect there has been a revolution in the redistribution of wealth

but without the loss and bloodshed and suffering which has occurred in other countries when similar changes have been brought about. I think in these insurances we have an exemplification of the genius of the British to meet practical problems through the instrumentality of democratic institutions. I believe that their approach to this problem was a sound one; I believe it is fair to say that they never could have passed through this depression as they have without machinery of this description. Notwithstanding what might be said of conditions in other countries, all advanced thinkers, irrespective of their economic philosophy, have preached the soundness of insurances of this character.

Much has been said about the malingerer, to which I referred in the early part of my speech. It has been said that should a scheme of this description be brought into operation in this country there would be a good deal of malingering. It has been said that moral decay would occur should legislation of this character be introduced, but I should like the records to speak for themselves. It is very seldom that I quote in this house; when I have something to say, I like to say it and sit down, but there are certain findings of governmental commissions appointed in Great Britain which I think are of sufficient importance to appear on the records of this house. I should like to refer to the report of a committee appointed in 1925 by the Conservative government, under the chairmanship of Lord Blanesburgh. This report reads:

> Throughout the inquiry we have constantly had brought to our notice the conviction held by many that the system of unemployment insurance is subject to widespread abuses. It has accordingly been one of our principal preoccupations to ascertain how far this belief is justified. It is convenient to state at once the conclusion we have reached in this matter. It is true that a certain number out of the eleven and three-quarter millions of insured persons have received relief to which they had no claim. But it is equally true that these cases are relatively few.
>
> We have found in all quarters a general agreement that the risk of unemployment should be insured. Nobody has suggested to us that the principle of unemployment insurance should be abandoned. It has been recognized by all who have appeared before us, and we ourselves share the view, that an unemployment insurance scheme must now be regarded as a permanent feature of our code of social legislation.

Another commission was appointed in 1931 and its findings bear out the soundness of the report of the Blanesburgh commission. In part, the report reads as follows:

> We desire to say that in spite of the difficulties and in spite of criticism that may be fairly made against the present position and against some of the features of the unemployment insurance scheme, it has prevented serious distress in a period of unprecedented unemployment. We are convinced that the principle of insurance against industrial unemployment has an important part to play in the adaptation of our industrial structure to changing needs.

I could go on and on. Objection has been raised by agriculturists to the introduction of a scheme of this description and I am not unmindful of the practical difficulties which stand in the way of an extension of such a scheme to those employed in agriculture. However, I should like to point out that had such a scheme been in operation in this country it would have proved a driving force in sustaining consumption on the part of industrial workers. In my judgment, it would have provided a force which would have had a great effect upon meeting the fall in price levels which occurred. There would have been maintained some equilibrium in the home market in connection with the consumption of agricultural products.

A commission was appointed in Ohio to study this matter. Conditions in that state are somewhat akin to our own, and this is what that commission reported:

> What would this sum of nearly $180,000,000 (accumulated under its plan) have meant in terms of purchasing power to the farmers of the state, to the merchants who cannot sell their goods because large numbers of their former customers are unemployed and have no income with which to buy? What, to the manufacturers who normally supply these merchants with products of their industries? It unquestionably would have had some effect in stimulating business or at least in keeping the decline within normal bounds. It would have provided employment and prevented the continual reduction of working forces, wages and income which has taken place month after month since the summer of 1929. If these results are possible at the modest cost of three per cent of payrolls, a cost jointly borne by employers and employees, it seems to us to outweigh all the considerations that are commonly urged against unemployment insurance.

Such a scheme would be far superior to the dole system which we now have in this country. I think all shades of opinion are frank in admitting that we have the worst system of doles possible. This government could well move in the direction of substituting a sound unemployment measure for the present system of doles. This problem is as old as history itself. An outstanding consideration in the life of all of us is the fear of insecurity. Since the inception of organized group life it has been the aim of civilized society to take away that fear from the mind of those who go to make up the various nations of

the world. With the advancement of so-called civilization many of these earlier dangers have been eliminated. We have insured ourselves as far as we can against the whims of rulers, against the invasions of wild beasts and against natural hazards such as fire, pestilence, famine, floods and so forth. The rights of private property have been protected from force and violence, and in my judgment the real test of civilization is the security which it provides its members against the fear of unemployment, ill health and destitution in old age. I think it is fair to say that the cry of mankind right through the ages has been for liberty and security, and a wonderful opportunity offers itself in this resolution to the government, at least to move in the direction towards a provision of security.

We are living in an age in which we witness for the first time in history the possibility of abundance. Every man in this house has lived through that change, the change from comparative scarcity to abundance. Every man dreams, I think, of the potentialities of this abundance and in my judgment it is the challenge of the twentieth century, a challenge which I think must be met.

I believe that this proposed scheme of unemployment insurance rests upon a sound basis in that it actually creates work. That is exemplified when you compare the intensity of the depression in Great Britain with that on the North American continent. It has the power to stabilize purchasing power, and it has the power which opens the avenue in this country to tackle the very real problem of seasonal work and activities. It would be a driving force that would tend to the creation of opportunities for work throughout the twelve months rather than, as at present, on a seasonal basis. More important still, it would permit the unemployed to maintain their self-respect and their pride in their family life and in their ability to meet their obligations without the necessity of going through those channels which at the present time they must go through at the various relief offices in the dominion.

Those people who talk about the abolition of unemployment do so without a knowledge of the facts. I do not think that we shall ever see the day, in the lifetime of any of us at any rate, when unemployment will have been abolished. This has not been possible in any country in the world and it will not be possible in this country. Change in its very essence creates an unemployment problem; change in the methods of production, in this or in any other country, inevitably leaves in its trail a real problem of unemployment, and I would urge the government to bring down the necessary legislation which would be a realization of the statements that have been made over the past four years by the leaders of this government.

[Mr. Mitchell.]

Mr. G. D. STANLEY (East Calgary): Before I discuss the question before us, may I read the resolution:

> That, in the opinion of this house, the most effective way to insure protection during periods of unemployment, which unemployment insurance would provide, is to make such legislation national in its scope.

I presume that the point which the resolution seeks to emphasize is that the system of legislation when it is introduced will insist upon its being national. Let me first discuss that phase of the question of unemployment insurance.

The causes of unemployment are not local; generally speaking they cannot be confined to any particular locality. The causes of unemployment are certainly nationwide. As a matter of fact, the unemployment which exists to-day can be said to be international, and history shows us that in the depressions through which we have passed in years gone by the causes of unemployment have very seldom been found to be confined to a single country, let alone a single locality. Hence it is quite easy to realize the difficulty in which we should be placed should individual provinces undertake to introduce varying systems of legislation. It appears therefore that when legislation is introduced in this country it must be legislation controlled entirely by the federal government or, on the other hand, if the provinces are factors, as in fact they are local factors, in connection with an unemployment insurance scheme, the legislation of the various provinces must be uniform in character and must be uniform as to time of introduction. Otherwise, if one province should introduce legislation at one time and the neighbouring province or provinces failed to do so, then the province which we might regard as progressive in outlook and action would be penalized while the neighbouring province, which might be said to be backward in its action, would benefit by reason of the progressive action of the other. What I mean is this. For industry and employees of industry to undertake their share of the contributions necessary to the introduction of unemployment insurance would certainly mean in the long run some increase in the cost of production. Consequently, the prov-

ince concerned would be at a disadvantage in its competition with the backward one. Not only that, the first province would be an attraction for workmen living in the second, and therefore the difficulties of the first province would be again multiplied and the cost of producing its products in industry further increased. That seems quite obvious; so that we cannot get away from the fact that whatever is done must be done either in a broad national way by the federal parliament or, on the other hand, by the individual provincial parliaments acting with the utmost cooperation and in unison as to both time and character of their legislation.

The matter of the British North America Act has come up. Far be it from me to undertake to discuss that act, but as a citizen and as one who has read at least the ordinary news of the day, I know many difficulties must be faced in regard to the conflicting interests of federal and provincial jurisdictions. It is the easiest thing in the world for a critic to ignore the existence of a constitution, throw it aside and then proceed as if by a mere wave of the hand the constitution had been dealt with, set aside and the legislation placed in a position to go full-steam ahead. Hon. gentlemen know that cannot be done, hence it is that from time to time the federal authorities and the provincial representatives have held conferences dealing with various matters in respect to jurisdiction, amongst them being this very question of unemployment insurance. I do not and I presume other hon. members do not yet know exactly how far those conferences have gone or what conclusions they have reached. I presume many difficulties arose and we are advised, by rumour at least, that those difficulties have not yet all been cleared away. So that, in our calculations as to what steps should be taken nationally in respect to unemployment insurance, we must take account of the position in which those conferences have placed us. Finding fault with this or that province in its attitude on this or other questions regarding which there is conflicting jurisdiction, will not get us anywhere. We are brought to the point where the representatives of this parliament and those of the provincial legislatures are placed in the position that at least for the time being they must arrive at what is the most advanced point to which the various provincial authorities and the federal government can go. That may not be the ideal, but I hope, when the various acts are introduced, we shall attain as nearly the ideal as possible. For the time being this is not a problem of going through the British North America Act, but rather one of going around it, of arriving at a point where we may be convinced that the best position, so far as the various parts of Canada are concerned, has been reached. We must not overlook the fact that in Canada there are many industries; that the same industry conducted in one part is perhaps conducted on a different basis from that in another part of the country; that different sections of our people have differing outlooks in regard to the conduct of those industries and consequently, we must assume that in the dominion-provincial conferences the rights of all the people in the various districts of Canada must be considered and that no offence is extended to any. Therefore we are confronted with the situation that cooperation is the first essential in arriving at a safe basis in legislating for unemployment insurance. Personally, I am in favour of such insurance and shall be glad to see the legislation introduced whether in this house or in the provincial legislatures or in all at the earliest feasible date. When that time comes those who have been in conference with the provinces and who have been most closely in touch with what has been proceeding will be best informed as to what steps are the most advisable to take so far as this federal parliament is concerned.

Passing on to the general consideration of unemployment insurance and leaving aside the chief point of the resolution itself, may we consider for a moment in rapid review the historical background leading up to the advisability of introducing an unemployment insurance scheme in this country. Going back exactly 100 years to 1834, to the Poor Laws of the old country and the principles which were included in those laws and following along during all the years, we find a slow, sure but steady progress in conditions of the workmen in the old land and in this new country. Following along from 1834, if one had time to consider the living, working and housing conditions, the matter of child labour, woman labour and so forth, one would have to review what legislation was introduced during the years to improve all those conditions of which I have spoken, and one would be able to show that from 1834 onwards there was a gradual upward step taken on behalf of those who labour in industry. One could go further and show the development of labour unions and what they meant for labour people, the inauguration of collective bargaining, the question of strikes and lock-outs and so forth. All these have to do with the steps that have

led up to the point at which we find our country to-day. Then we should consider the legislation that has been introduced by which the state has stepped in and interfered with the laissez-faire system that prevailed in the early days, along the lines of which I have already fully spoken. We have the various factory acts, the Workmen's Compensation acts, the fair wages acts, the minimum wages acts, and so on. Coming right down to more recent days we have the Versailles treaty itself and the advance which was made by the spirit behind the provisions included in that treaty. Then we have the introduction over the years of the unemployment benefits of the brotherhoods and unions and their extension throughout the various labour unions of the old country and our own country. Then the logical step that followed was the demand for national unemployment insurance, already introduced in the old country and included in the activities of some industries in this country on a voluntary basis. So we have come step by step to the point where to-day there is on the part of the general public, both employers and employees, a readiness to demand some system of unemployment insurance.

One hon. gentleman deplored the use of the word "palliative," and perhaps it is not well for me to repeat it. Yet we must remember that when unemployment insurance is introduced those representing labour should be the first to insist that it is a palliative, that it is not an absolute cure for unemployment. I think it is well for our people in general to recognize that this is one step further forward on behalf of labour. What is the ideal towards which all these movements have been progressing? I would say it is that workmen shall be placed, by means of their earnings during their years of work, in a position to be self-supporting when they have to quit work. Unemployment insurance is one step towards that ideal. It is easily seen that it is a demand upon industry, and is not a light demand. There is no question in my mind that unemployment remains as a problem for industry in our country. As I see it, industry step by step will have to organize and adjust itself to face its responsibility in respect of unemployment, and I am sure that steps will be taken by industry without complaint to contribute to the solution of this great problem.

In general, then, what are the requisites of a good unemployment insurance system? I shall hurry along without going into the matter at length. My first thought is that it should be insurance. Anything that includes the relief problem of our country as part of unemployment insurance legislation will be a mistake. There must be a clear-cut division between the problem of relief for those who require help, and the problem of those employed in industry who pay their contribution on an insurance basis. Unemployment insurance is the insurance of benefits to be granted to those who come under insurance contracts.

My second thought is that it must be a contributory system. Occasionally I read addresses on unemployment insurance, in fact some addresses given in this house, in which there is a tendency to dodge the question whether one is in favour of the contributory system or the non-contributory system. It must be one or the other; it cannot be both and be a success. As far as I see it, it must be a contributory system whereby employers and employees will each contribute their share.

The next thought that occurs to me is that when it is organized and when classifications are taken under the scheme it must be all-embracing and compulsory as far as those engaged in those classifications are concerned. It can readily be seen that if it be left optional on the part of the workman as to whether he shall or shall not be included, the scheme would secure too many bad risks and not enough good risks; consequently its purpose would be defeated.

The next point is that the scheme should be national; I dealt with that at the beginning of my remarks and shall not enlarge upon it.

Next it should be as nearly universal as possible in regard to the various classifications. No one realizes better than those hon. members who are directly connected with the labour interests of this country that in its initial stages an unemployment insurance scheme cannot take in more than a certain number of classifications. In England there has been a gradual development of the scheme until to-day almost all the various classifications have been included. Canada is a different country; it is widespread; the workmen are not so fixed in their locations; they are more mobile, and consequently many difficulties are presented. Of course I need not enlarge upon those.

Then I would say that the scheme should be one that will take every precaution against encouraging indolence. I have marked here in my notes "anti-indolent" and as far as I can see that is one of the most important points which a government or governments introducing legislation of this kind will have to consider. If a contributory system of unemployment insurance is so lax that it

allows men who are not properly entitled to benefits to receive them, as soon as that starts we begin to tax employment for the relief of those who are not entitled to unemployment benefits, and of course that would spell disaster to the whole project. Further, the organization of a system of labour exchanges is a point of very great importance in the proper administration of the legislation when it is introduced.

Before I conclude I should like to refer to one or two dangers. The first is that to which I have just referred, the danger of taxing employment for the benefit of those who are not entitled to assistance under the insurance scheme. The second danger is one which I am sure has been considered by every hon. member of the house; that is, the insinuation of political influences into the framing of the legislation or into its administration after it has been introduced. When a government, this year, next year, this decade or decades hereafter, begins to offer a dollar for fifty cents, or when one political party comes along and offers twice as much for half the contribution, disaster will follow sooner or later, and that is one of the dangers which must be avoided. Then there is the thought which so often permeates the public mind in the consideration of anything that has to do with the federal treasury, namely that down here in Ottawa in the treasury department there is a bottomless purse, and that all they have to do is dip down in it and pull out an unlimited amount of money and that it cannot play out. One of the dangers in regard to the working of this unemployment insurance is right there, and the persons who are going to suffer by reason of that sentiment becoming too strong are the workmen themselves.

Unemployment insurance is one further step towards the ideal. Unemployment is a problem which cannot be overcome simply by the spending of money. I said it was a problem, and I am satisfied that we as members of this house, and workmen and employers as component parts of industry, as well as the public who make their contribution through the purchase of products, must appreciate the fact that it is a problem, and that its solution cannot be brought about merely by the spending of money, whether it be public money, the money of industry or the money of the workmen, but that the problem will be solved in the long run only by thought, organization and gradual progress towards the ideal.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, as the representative of a riding in which there are large mining, industrial and agricultural developments, I believe it my duty to say a few words on this resolution. It must be very pleasing indeed to the mover of the resolution (Mr. Neill) to observe the high tenor of the discussion that has taken place this afternoon, and apparently the principle of unemployment insurance is well accepted not only throughout the country but also by every member of this parliament.

When one first reads the resolution he is inclined to believe that it recognizes the fact that the principle of unemployment insurance has been accepted, but personally I am convinced that the principle with which we are dealing this afternoon is one of primary importance if we wish to have unemployment insurance apply to the whole of Canada. It was well said, in the very fine speech to which we have just listened, that because of the British North America Act we find many anomalies so far as the application of unemployment insurance is concerned. No doubt there are some obstacles in the way which will have to be surmounted if unemployment insurance is made national, but undoubtedly that can be done.

I have in mind more particularly the situation which exists in the section of the country which I have the honour to represent. No doubt the country and the house are aware that we have had strikes of lumbermen in the north, and in some sections of Ontario and Quebec some of the men are still on strike. When I spoke during the debate on the address I mentioned certain anomalies which existed with regard to the federal and provincial departments of labour, and no doubt the Minister of Labour (Mr. Gordon) is aware of those anomalies as well. I have found, as he must have found, that although I was willing and ready to give my services, at times I found myself persona non grata; nobody wanted me, because they thought I had no business there as a federal representative. I suppose the same situation applies in every province to a certain extent. The other day I read with a great deal of interest and joy that Hon. Mr. Finlayson, minister of lands and forests of Ontario, was in Quebec working with Hon. Mr. Mercier of that province in regard to legislation having to do with the strikes in northern Quebec and northern Ontario last fall, and also certain labour legislation.

It has been said on different occasions during the last few months that we could easily

do away with the British North America Act. The thing is not so easy as it looks, but surely in connection with a matter of such national importance, a matter affecting every section of the population whether industrial, professional or labouring, there should be a way by which the heads of the provinces could get together and deal with the matter in a national way. I will go farther and say that if it is impossible to have legislation on a national scale there should be an amendment to the British North America Act, because some of its features should be amended. This is a very important matter, and one which takes in a lot of ground. As I said, the mover of this resolution apparently had in mind, when he brought this discussion before the house, that the principle of unemployment insurance was accepted in every section of Canada. I believe this is true, so far as the people are concerned. However I sympathize to some extent with the government in some of the difficulties it must necessarily face in the inauguration and operation of such legislation, and in connection with placing it on the statute books of the country.

One of the first obstacles the federal authorities will have to meet will be the smoothing out of difficulties which may arise among the nine provinces. As to how well the principle is accepted in every section of the country is illustrated in an article which appeared in Saturday Night of February 3, 1934. One paragraph of the article, which was written by E. J. Soulsby, is as follows:

To the principle of unemployment insurance all parties have long subscribed, though perhaps in some quarters with little enthusiasm. It was recommended to the dominion parliament as long ago as 1919 by a royal commission on industrial relations, and in Ontario by a provincial commission three years before that. During all the years since then the subject has presumably been relevant to Canadian politics, since the assumption has always been present that sooner or later some action would be taken to introduce unemployment insurance; yet there has been little preparatory discussion of the matter and as a result it will be something of a miracle if satisfactory legislation is produced at the first attempt. There is real danger of a defective measure proving so unpopular and vulnerable to reactionary criticism that at the first favourable opportunity it would be amended in quite the wrong direction.

Then the article goes on to deal very fully with this important question. As for a number of years I belonged to a labour union I can agree with the statement made by the hon. member for East Hamilton (Mr. Mitchell) that the idea of unemployment insurance only a few years ago was thought to be a radical one. The previous speaker expressed the view that in the near future, perhaps within one decade, we may have unemployment insurance in Canada. I do not dare to be a prophet, but I am familiar with the state of public opinion concerning unemployment insurance. Without trying to prophesy may I say that I am positive that within three or four years at the most we will have unemployment insurance in Canada. As are other hon. members, I am fully aware of the difficulties in connection with the introduction of an unemployment insurance scheme. We know that to-day in Europe, for instance, over 45,000,000 workers are operating under unemployment insurance. Europe has the most highly developed scheme of this description in the world. The same practice has been followed to some extent in Australia, but the principle has not been so readily adopted or accepted on the American continent.

There are several factors existing to-day which, even by labour unions, could not be foreseen a few years ago. Let us, for example, consider the mechanization of industry. When machinery was first used to help man it was accepted simply as a servant, but during the last ten years it has become the master of the civilized world. No one would seek a curtailment of this creative power; nevertheless the fact remains that new machines created by the power of the human mind are taking great numbers of men out of employment, and as time goes on that process is going to be more and more pronounced. I say, therefore, that the one solution to the problem we are facing is to some extent to insure the men engaged in labour and in industry so that they will have some protection at times they are out of employment.

Some people are afraid to tackle certain problems, including this one, because of the cost. Well, let us consider that factor for a few moments. Apparently the last speaker was of the opinion that the cost would be prohibitive and a burden on industry.

Mr. STANLEY: I made no such statement.

Mr. BRADETTE: I accept the correction. At the present time we have established a system which may be described as relief, or a system of dole. There is no doubt that the great amount of that expenditure—

Mr. ST-PERE: It is not the dole.

Mr. BRADETTE: It is a kind of dole. Some of the burden is placed on the shoulders of the industries, and some has to fall on

those of the consumers and labourers. Some people are not quite agreed as to whether unemployment insurance should be contributory or non-contributory. So far as I am concerned I believe the insurance should be paid by the three parties directly interested, namely, the industrialists, the working men and the central government. Then, what would be the amount involved? To-day, of a total of about 2,000,000 working men exclusive of the rural population, about thirteen per cent are unemployed. The contributions which they would receive under an unemployment insurance scheme at, say, an average rate of one dollar per day would amount to $92,000,000. Under that scheme $23,000,000 would be contributed by working men, $23,000,000 by industry and $46,000,000 by the federal government. I am of the opinion that because of the high point of mechanization of our industry, and because of the fact that more and more of our working men are being replaced in industry by machinery, there should be a scale established whereby the more highly mechanized an industry may be, the greater contribution it would have to make to the federal treasury under an unemployment insurance scheme. I think in this suggestion I am quite fair. Those who study the labour situation and the industrial life of Canada will readily agree that in some industries there is greater mechanization than there is in others.

I have in mind the great mining industry of northern Ontario. It is true that in our section of the country, for instance, we have no placer gold. Without the highly industrialized mechanization we have at the present time it would be impossible to develop the gold, copper and nickel of northern Ontario. It is true, however, that one can use only a certain amount of machinery in mining operations. Let us consider some other industries where machines have replaced forty or fifty per cent of the men. If I read correctly the reports concerning some industries in Canada it will appear that one machine in some instances has taken the place of 400 men. It must be readily understood by everyone that in considering a system of contributory unemployment insurance the machine will have to be considered as one factor, so that there may be balance, equilization and equilibrium between industries which are highly mechanized and others in which the machine is not so largely used.

Agriculture is becoming more and more highly mechanized. That statement applies more forcibly to the western provinces than it does to some other sections of Canada. The western farmer is more of an industrialist than a farmer, in any sense of the word. Everyone will readily agree that it is almost impossible to use machinery during the pioneering stages such as have been experienced in northern Ontario and Quebec, and this also represents a problem that I expect to deal with during the present session.

So far as the matter of contributions is concerned may I say at this time I shall not go into detail because no doubt further opportunities will be given to all hon. members of the House of Commons and to everyone interested in this great problem. I have placed the grand total of a contributory insurance scheme at $92,000,000. It would be necessary to expend from six to eleven per cent of that amount for administrative purposes. In some countries this cost is as low as five per cent while in others it runs as high as twelve, but I believe in Canada ten per cent would be a fair estimate of what would be needed for administrative purposes. This would make a grand total of $104,000,000, $26,000,000 of which would be contributed by the industries, $26,000,000 by the working classes and $52,000,000 by the central government. During the past three or four years the government has dealt with this unemployment problem in the only manner possible; large sums of money have been expended and I think it will be admitted that a yearly contribution of $104,000,000 would not be such a burden upon industry and the people as a whole. During this session we are to be called upon to vote $50,000,000 for a program of public works to relieve unemployment. I think every hon. member could visualize the benefit of each person in this country at present unemployed receiving an average of one dollar per day. Such a distribution would put millions into operation and give an incentive to business throughout the whole of Canada.

It is not my intention to deal at great length with this all-important question. I believe the hon. member who moved this resolution deserves much credit for bringing it forward and presenting an opportunity for a full discussion of this matter. I think the principle has been accepted by the people of Canada as a whole. We must realize that things that looked radical a few years or a few months ago are the logical things for the present day. We need only to look to the south of us. Who would have dared to prophecy two or three years ago that the administration in the United States would be putting into effect the policies that they are at the present time? No one would have dared to say that such policies could be put into force,

and what has happened in the United States is happening in certain sections of this country. The people are becoming seized of this situation and its problems; everyone realizes the problems we have to face, and once we are able to get our legislatures and this House of Commons to deal with national problems in a national way, we will be nearer to a solution of this great question.

The obstacles, constitutional, financial and otherwise, have been put forward quite clearly by the previous speaker. It must be remembered that the primary producers of this country are suffering just as much as if not more than other classes. Any unemployment scheme of a national nature must be considered from this angle also. Those who live in rural districts are suffering just as much as those who reside in industrial centres, and in dealing with the question of unemployment insurance we must consider some means of compensating the farmers for their losses during the last three or four years. Some people say that this problem is absolutely impossible of solution and in my opinion the inauguration of such a national scheme would be impossible unless consideration is given to the agricultural viewpoint. Such a scheme should include the farmers and the habitants of this country. They have suffered and will continue to suffer unless this government puts through legislation of a social order.

I am thankful for the attention which hon. members have given to this all-important matter. We must deal with it at the earliest possible moment. The members of this parliament should have the vision to realize that the people appreciate the situation. They should have the courage to admit that millions of people are suffering and need relief. I am not a sob-sister; I am not inclined to pessimism; I have always practised optimism, but we must face the future and consider this question as true Canadians. It is one of the most important matters with which we have to deal at the present time, and the attempt to arrive at a solution should not be delayed for another decade or two, or even another year or two. We should try to arrive at some solution at the earliest possible moment.

Mr. ANGUS MacINNIS (South Vancouver): Mr. Speaker, I desire to say a few words in support of the resolution moved by the hon. member for Comox-Alberni (Mr. Neill). Apparently the hon. member had two ideas in mind in proposing this resolution. I believe the first one was to impress upon the government the necessity or need for the setting up of a scheme of unemployment insurance. Although he did not put it in that way in his resolution, I believe that is what he had in mind. The next thing that he had in mind was that such legislation should be national in scope. I do not believe there can be any difference of opinion as to this latter point. I think we are all agreed that the time is ripe or even over-ripe for the bringing into being of some form of unemployment insurance national in scope.

I agree with the hon. member for East Calgary (Mr. Stanley), who took such pains to point out that unemployment insurance would not prove to be a solution of the unemployment problem, that in the nature of things it could be only a palliative. But palliatives are not to be despised when we are facing a condition of this kind. If there is anything in the resolution to which I could take exception, although I do not take exception to any of it, it would be the phrase, "during periods of unemployment." This would seem to indicate that the mover of the resolution believed that we would have unemployment only at certain periods. As a matter of fact unemployment is inseparable from the system of production which we have. That system cannot be carried on without a certain amount of unemployment. With the increase in the use of automatic machinery which has occurred, unemployment is here to stay just as long as we continue the present system of production. By this I mean that the causes of unempolyment have their roots in the the capitalist system. I do not think it is necessary to go into this very extensively to prove to anyone with an open mind that such is the case. Unemployment, like cancer, is a disease; it is a disease of civilization and of the particular kind of civilization we have —a machine civilization. To prove that, all we need do is to go back to former stages of society and we shall find that unemployment, under the conditions then prevailing, was not the curse that it is to-day but something that was looked forward to, as a time when those concerned could really enjoy life. When the savage was engaged in getting his livelihood, when Nature was kind and brought forth abundantly, he did not feel concerned about the fact that he would not have to work so hard nor so long in order to make a living. He did not fear unemployment. Under chattel slavery, even when the slave was not actually employed by his master, he was at least provided with the necessities of life just as when he worked. Similarly under feudalism, the serf was not concerned greatly with the question of unemployment. It is only under capitalism, when wealth of the

community is greatest and the necessity for labour disappears, that those who have no other means of earning a livelihood except by the sale of their labour are confronted with the serious problem of unemployment.

When we discuss this question of unemployment, when it is brought forward in this house, there are two stock arguments advanced as to why an insurance scheme cannot be introduced. The first argument, of course, is as to the difficulties arising because of the British North America Act. Perhaps it is just as well to admit at the outset that there are certain difficulties in this regard, but I do contend that there are no difficulties that cannot be overcome if this government or any other dominion government is prepared to accept the principle and to take whatever steps may be necessary to give effect to it. Let us consider another problem that has been facing the country during the last three or four years. The British North America Act applies only as to jurisdiction between the dominion government and the governments of the provinces. We have had another question under consideration in the last few years and that is the matter of our surplus wheat. That was not a matter between different parts of the dominion but one that concerned various other countries in the world; yet, when the government set its mind to it, it was able to come to an agreement with other countries tending towards the solution of that problem. Surely what we could do with a score of countries we can do when there are only the nine provinces of Canada to be considered. I do not believe therefore that there is any valid excuse or any reason, because of the British North America Act, why we cannot put an unemployment insurance scheme into effect.

Again, the point was raised by the Minister of Railways (Mr. Manion) the other day that, while he was in favour of an unemployment insurance policy, this was not the time to bring it into being. Of course, it is never the time to do something that you are opposed to doing. I believe that this is just as good a time to begin as any other. We have no greater difficulties here than there are in Great Britain; yet, instead of dispensing with their unemployment insurance legislation, they are extending it at the present time. In a news dispatch of two or three months ago it was said that the British government was bringing down legislation to increase the benefits of unemployment insurance and to increase the number of those who would receive those benefits. Those who are receiving the benefits of unemployment insurance there at present number about two millions, and it is intended to increase that number by approximately another four millions, making six millions altogether. The minimum age for entering the scheme will also be lowered to the school-leaving age of sixteen.

It seems to me that when the people of Great Britain, who have realized fully the benefits of unemployment insurance in these difficult times, will now take steps to extend that policy, it is time that this government did something to bring into effect in this country a similar scheme, which could afterwards be extended as conditions might require.

The question arises whether an unemployment insurance scheme should be contributory or non-contributory. I can see difficulties in coming to a conclusion on that point. If we are to have a scheme that will cover those who are at present unemployed, the great mass of the unemployed whom we have at the present time, we cannot have it on a contributory basis. That, however, is no reason why we should not start a scheme on a contributory basis. The Trades and Labour Congress of Canada has gone on record for many years as favouring an unemployment insurance scheme on a contributory basis. I believe that in the proposals they put before the government a few days ago this was one; and while the executive is convinced that it would be quite impossible at the present time to cover the great number of unemployed on a contributory basis, yet it believes that the government could start on that basis a scheme which would take care of those who will be unemployed six months, or a year or two years from now, and that the number of those who would come under the scheme might be increased as time went on. I would direct that to the attention of the government. If they cannot begin on a grand scale they can begin modestly and extend the scheme as experience and circumstances demand.

I do not wish to take up the time of the house discussing this question, because I believe the principle is now accepted by nearly everyone, so that all that is necessary is to come to some agreement as to how the legislation can be put into effect, and as to the time at which it should be brought in. Personally, I believe that the time is now, and I believe further that the scheme must be on a national basis to be effective. I favour this, not as a solution for unemployment, because I am convinced that unemployment will remain so long as the present social relationship

exists between the producers of wealth and the owners of the means of wealth production. However, we cannot solve that now; but we can and should take steps that will make easier the lives of the unemployed until such time as we can organize a better social system than we have to-day.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I should like to congratulate the mover of this resolution, the hon. member for Comox-Alberni (Mr. Neill), whose speech in introducing the subject showed close study and a great deal of thought. Since I have known him in this chamber, he has been in the forefront in regard to all legislation pertaining to the elimination of social injustices as well as to labour matters. I can well remember, when we were considering the old pension bill, the great assistance rendered by the hon. member in framing that humane piece of legislation and I was glad to have the honour of signing an agreement with the first province to adopt the scheme, British Columbia, in which the hon. member resides. I can also well remember the great assistance rendered by him in the way of advice to the committee on industrial and international relations.

I am sure it must have been rather a disappointment to him that when he introduced the resolution, it received from the government benches a little different treatment from that accorded any other resolution introduced by a private member this session. Generally speaking, when a private resolution is introduced, after the speech of the member introducing it, some member of the government states its position in regard to the subject matter involved. This resolution is one pertaining to the welfare of the labour men of this country and though we have been discussing it all afternoon, not a single member of the administration has gone on record even as accepting the motion which simply declares that the legislation, when it is introduced, should be national in its scope. Instead of that, they have left the task to one of the back benchers, the hon. member for East Calgary (Mr. Stanley), who made an excellent speech, favouring the resolution, but in his argument pointing out every obstacle that he could imagine that would be in the way of the government enacting such legislation. Therefore I say that it must have been a great disappointment to the hon. member for Comox-Alberni and all those who so far have supported him to see the government sitting idly by, or, as the Minister of Trade and Commerce (Mr. Stevens) used to say, lolling in their seats, not taking any position in the matter, but leaving it to a lone back bencher to state the government's position.

Mr. LAWSON: If my hon. friend will not take too long, he will give some of the rest of us an opportunity of expressing our views in favour of the resolution.

Mr. HEENAN: I did not know my hon. friend had yet joined the government.

Mr. LAWSON: The hon. member was referring to back benchers.

Mr. HEENAN: This is the government whose members are hiding themselves behind the British North America Act. They asked for and received a mandate from the Canadian people to deal with unemployment and employment on a national scale. At that time the British North America Act offered no obstacles. Anyone who, during the 1930 election, would say a word about that act, was ridiculed off the platform. They said: Elect us; we will do it on a national scale; if King can give you 50 per cent old age pension, there is no obstacle constitutionally in the way of our giving you 100 per cent. This government, as I say, are hiding behind the skirts of the British North America Act and any other excuse they can find. This government received a mandate from the people to deal with unemployment and employment on a national scale; they have not hesitated to take authority from parliament to deal with it nationally; they have taken a blank cheque to deal with such matters on a national scale; they have taken authority to deal with matters of this kind under peace, order and good government legislation and they can break the bones of any interests they think fit. But when the question is one of whether they can deal with an unemployment insurance scheme, the British North America Act stands in the way. I know it will be said by speakers who will follow me, if we can get any of them roused out of their seats, that the Liberal government also used to discuss the question of the British North America Act and point out the obstacles that lay in the way. If they say that, it will be true, because we never yet tried to deceive the people of this country; we never went out to an election to try to tell them that there were no obstacles in the way of social legislation. We were honest with the Canadian people and the gentlemen who deceived them in 1930 are now betraying them, because they are going diametrically opposite to the things

they promised the people in 1930. We never said that we could deal with unemployment insurance or old age pensions or anything of that kind except in cooperation with the provinces and I say that the hon. member for East Essex (Mr. Morand) the other evening, unconsciously or unintentionally I hope, but as a matter of fact placed a wrong interpretation upon the platform of the Liberal party. The hon. member, in reading the Liberal platform of the 1919 convention, stated it in this way:

That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government—

The hon. member stopped there. That is not even the end of the sentence, because it goes on to say:

—in conjunction with the governments of the several provinces.

Mr. MORAND: Why did my hon. friend not do it?

Mr. HEENAN: We did.

Mr. GOBEIL: What did the hon. gentleman do?

Mr. HEENAN: There is no reason that the hon. gentleman should have stopped there; he had the book in his hand. I am inclined to think, knowing him as I do, he did that unintentionally, but whether he did it unintentionally or unconsciously or otherwise, it is a misconstruction or misinterpretation and there was no need for it. As I say again, not only has this government a mandate to deal with this matter on a national scale, but the present Minister of Trade and Commerce and the Prime Minister (Mr. Bennett), when they were in opposition, declared that they had the power. At that time we were discussing the question of what we could do with industries that were not conforming to fair hours of work. I think we were dealing with the steel industry in Nova Scotia. They said to the government of the day: Parliament has the power; shall we use it? This parliament ought not to go a step further until we say to those industries that are deriving the benefit from our tariff measures: You shall provide thus and so, hours of work, wages, a fair standard of living, or we shall not give you tariff protection. So that if the Prime Minister and the members of this government had the power then, or thought they had, they have it to an even greater extent now, because they have had a mandate from the people in addition. Does this government mean to say that if it wanted to do as it promised, deal with unemployment relief on a national scale without the assistance of the provinces or the municipalities, either the municipalities or the provinces would object? Does it mean to say that if it wished to pay old age pensions one hundred per cent from the federal treasury, as it promised, any of the provinces would object? Does it mean to say that if it wanted to construct a national highway from coast to coast and pay for it from the federal treasury, as it promised to do in 1930, any of the provinces would object? Of course they would not. Neither would they object if this government instituted an unemployment insurance scheme. There would not be the slightest objection so long as it was an adequate and workable scheme. And I may say in support of the resolution that the way it proposes is the only way that unemployment insurance can possibly work, either in Canada or anywhere else, but more particularly in a country like Canada where workers are going to and fro among the various provinces.

So this government has two ways in which to institute this much-needed reform; it has the way that the hon. member for East Calgary (Mr. Stanley) advocates, that is in cooperation with the provinces, which is the proper way. I am satisfied that if that method were followed every province in this country would be satisfied to participate in an unemployment insurance scheme headed by the national government. And there is the other way, advocated by my hon. friends themselves when they were in opposition. They told us that we could say to the industries of this country; We will give you tariff protection sufficient to enable you to maintain a fair standard of living, to reduce hours of work and increase wages to provide for that standard of living, but if you do not fulfil these conditions you will not be protected by the customs tariff. I am in favour of the former system, but at all hazards I am in favour of one or the other, and I am satisfied that this government can put such a scheme into effect.

We talk about being a progressive nation, but in this respect we have not followed the mother country, which adopted a scheme of this kind twenty-three years ago. Of course the scheme made provision for old age, sickness, and many other matters in addition to unemployment. That scheme was introduced in Great Britain in 1911. Since then Italy, Australia, Bulgaria, Germany, Poland and Switzerland have followed, while within the

British Empire itself we have several schemes of unemployment insurance, for instance in the Irish Free State, New Zealand and Queensland. How, then, can we say that Canada is a progressive country with respect to its provision for unemployed workers? I believe that public opinion to-day is favourable to an unemployment insurance scheme in this country. This house approved of it in 1929. The Liberal government, of which I had the honour of being a member, canvassed the provinces with respect to it and we had replies, which should be on the files of the department, some of them favourable. I discussed the matter with some of the leaders of the provincial governments, and after discussing it they became even more favourable. On the 11th of May, 1932, I ventured to place on Hansard a suggested scheme, which though not complete in detail would have served at least as a basis for a scheme of unemployment insurance for this country, and I was very glad to read that my hon. friend the Minister of Finance (Mr. Rhodes) did me the honour of referring in some of his speeches to some things I had advocated in that speech. I pointed out that in periods of severe depression this fund undoubtedly would be drawn upon to such an extent that it probably could not stand the strain, and to cope with that situation I proposed that governments should refrain from going ahead with very large public works in times of prosperity but should reserve such works and the funds for them to relieve unemployment in times of depression. That suggested scheme provided for allowances of $55 a month for married men and $30 a month for single men, and if I remember correctly it called for something like 15 cents to 30 cents a week contribution from the employee. That was only a suggestion to assist the government in a small way in working out some kind of satisfactory scheme.

On November 22, 1931, the Prime Minister made a direct promise that he would institute such a scheme in this country. He said:

> Under those circumstances, with a census about to be taken and the necessary figures to become available, with our actuarial force willing and ready to tackle the problem from the angles that I have suggested, does any hon. gentleman think that we would be doing justice to the Dominion of Canada or to ourselves if we now passed a resolution asking the government inmmediately to do something which it is not equipped to do?
>
> I propose, if we are spared as a government and as individuals, that the information we will have before our term of office is ended shall be crystallized into the form of legislative proposals to be submitted to this house.

[Mr. Heenan.]

I am inclined to think it was then safe for the Prime Minister to make that statement when he included the words:

> I propose, if we are spared as a government . . .

I do not believe that the people of this country will tolerate this government very much longer, even though it is a promising government. Their time is limited. But I would like to see them actually try to crystallize something before the people send them into oblivion. In 1933, two years later, the hon. member who introduced this resolution asked this question:

> Will the government be in a position at this session to bring down legislation dealing with unemployment insurance, as referred to by the right hon. the premier, in debate in this house on November 22nd last?
>
> Mr. Bennett: The answer is no.

It seemed to me at the time that the government, after blowing hot, had started to blow cold again, as usual. They had cooled off very perceptibly a couple of days ago, when the Minister of Railways deprecated the idea that this was the time to introduce an unemployment insurance scheme. I remember him appealing for cooperation from all sides of the house in that well-known red-blooded manner in which he speaks, and in concluding his remarks he said:

> This is not a time for demagogism but a time for leadership, and after the leadership of this government carries Canada back, as it will, to normal conditions, then we will correct other evils. We will deal with such questions as unemployment insurnace and planned economy, for I personally believe that we shall have to deal with these matters. But when your house is on fire you do not stop to argue about loans or taxes. The first thing you do is to put out the fire, leaving other matters to be dealt with later.

So the Minister of Railways, speaking for the government, apparently had cooled off; evidently he was trying to put out the fire that had been started by the government itself.

Mr. MANION: May I just inform my hon. friend that so far as my remarks in connection with unemployment insurance were concerned I was speaking for myself only. I was giving not the government's opinion, but my own opinion.

Mr. HEENAN: Well, Mr. Speaker, that is the essence of the solidarity of a government. Not so long ago the Secretary of State (Mr. Cahan) said that undoubtedly under certain conditions the railways of Canada will be or ought to be amalgamated. We had the Minister of Railways say that there was no thought of amalgamation, and the Prime Min-

ister said that if there was any thought or hint of amalgamation he and his colleagues would resign. Well, in the remarks of the Secretary of State were both the hint and the thought, and I do not know that any member of this government has any right to speak other than as a minister.

Mr. MANION: Might I ask a question?

Mr. HEENAN: I would rather you did not.

Mr. MANION: I thought my hon. friend would not like it.

An hon. MEMBER: Talk insurance, not railways.

Mr. HEENAN: I would sooner talk sense than sit over there and talk nonsense. I do not know why, when we appeal to the government for unemployment insurance, they should loll in their seats and take no definite stand in the matter. Not one minister has spoken, though this same government has put sixty-five thousand railway men out of work since they came into office.

An hon. MEMBER: You put one out of work every summer.

Mr. HEENAN: I did that for a purpose; I did it to be unique. I wanted to be known as the only man that the Bennett government ever put into overalls.

An hon. MEMBER: You are unique all right.

Mr. HEENAN: What does my hon. friend do between sessions? Does he just loll in his seat as he is doing at the present time, and do nothing; does he go back into a law office or a doctor's office; does he go on the farm or into the factory; does he just clip coupons, or what does he do? That same suggestion has been made here once or twice before. It is a peculiar thing that our doctors, lawyers, merchants and coupon clippers who go back into their offices between sessions pick on the only man who goes back into overalls. It must be wrong for me to do that, but I am not a bit ashamed. I am proud, and I thank God I am able to do it. It is honest toil, and because of it I am more able to speak for the labouring men of this country than are my hon. friends who sit lolling in their seats and will not take part in these debates.

Mr. BROWN: I want to protest against the hon. member's statement, that he is the only member who goes back into overalls.

Mr. HEENAN: I said the only member who went back into overalls to make an honest living.

While I am discussing the question, Mr. Speaker, I should like to point out the importance of this kind of legislation. At page 42 of the Labour Gazette I find the following:

> The number of man-days worked on state-aided projects on a wage basis numbered 1,157,559 during the first eleven months of 1933, while to those employed on useful works in return for subsistence and a small cash allowance 8,494,212 man-days' work were given. This was a total of 9,651,771 man-days of employment afforded in 1933 up to November 30. During 1932, the man-days worked on a wage basis numbered 7,700,709.

There is something wrong here; these figures have not been completed, or if they are complete there is only one thing we can deduce from them. It is that the men who performed the 7,700,709 man-days of work on a wage basis in 1932 were put on a subsistence basis in 1933. I am sure the government must be proud of that record; in 1933 they gave 8,494,212 man-days of work for subsistence and a small cash payment. In the government returns these men are counted as employed; this government does not hesitate to include these men in the aggregate as employed persons, yet they give this note here, which is not sufficiently complete to assist in analyzing the situation from one year to another, in which they say the men are working for their subsistence and a small cash allowance. I am sorry they had the nerve to include in a government report the statement that this government provides for 8,000,000 days'-work in a year, on a subsistence basis. In the summer time in northern Ontario they pay $5 a month, and their board. Of that $5 this government contributes $2.50. If one were to analyze these figures and direct them to the number of days worked, I do not know where he would come out. Hon. gentlemen across the way talk about the five cent speech. They throw remarks across the house about five cents which was mentioned one day in this House of Commons. But they are not giving even five cents; they are giving only one cent. I have in my pocket at the moment a cheque for one cent paid out to a man in the province of Ontario—and he is a white man at that. It appears to be the pay for a month's work, evidently after he had paid for small pieces of tobacco, and supplies of that type. When he had made these payments he had one cent left. The only redeeming feature about it, as I said before, is that the cheque was made out to a man called Caesar. Evidently the government have been reading the

holy book and have come across the passage directing them to render unto Caesar the things that are Caesar's. So they gave to this working man not five cents but one cent.

Mr. McINTOSH: Did he get the cheque cashed?

Mr. HEENAN: No, I have it, and I have not got it cashed. I am going to take it with me and use it during the next campaign.

Then, I have another one for seventy cents. The person involved in this instance is a young man who went through university. All this government can offer him is a pick and shovel so that he may work in a camp in nothern Ontario. At the end of the month after he had paid for a few knick-knacks which he required around the camp he had only seventy cents left. Then, I have another one for nine cents. In this instance I know the boy very well. His father equipped him with new boots, a new suit of overalls and new gloves, and he went out ready to work for the great and glorious Tory government which we have in the province of Ontario. At the end of the month's work he had nine cents coming to him.

Mr. MORAND: How much did he spend on knick-knacks?

Mr. HEENAN: All that he got, with the exception of nine cents.

Mr. BURY: What was the balance left after paying for the knick-knacks?

Mr. HEENAN: It was $4.91, if my figures are correct. That is about the price of a visit to a doctor's office. If anything had happened him he could not have been taken to an undertaker. Coming home at the end of the month he had the soles out of his boots from walking on the rocks. So he got nine cents and lost his "sole" working for the Ontario government. Any man who would vote for a government which would treat a Canadian in that way ought to lose his "sole." It is sad to think that that is all this government has done for the young men of Canada, after three and a half years in office. It is even sadder to think that some of the ministers smile and laugh at the misery of these young men.

Mr. MORAND: That is cheap.

Mr. HEENAN: It is cheap to smile; of course it is.

[Mr. Heenan.]

Mr. MORAND: No, it is cheap for you to say that.

Mr. HEENAN: That is all they do, smile and laugh and humbug. This government has been in office for more than three years and it is destroying the youth of this country.

Mr. MORAND: I am surprised at you, Peter.

Mr. HEENAN: They have gone on deceiving the people for over three years by bluffing, blundering and blasting. They were going to do something at the economic conference, yet to-day our railroads are rusting. Sixty-five thousand railway men are out of work. In 1931 the railway men of Canada earned $74,000,000 less than they did in the last year of the Liberal regime. In 1932 they earned $120,000,000 less than the last year we were in office, and in 1933, $130,000,000 less. I want to tell this House of Commons that the railway men of Canada have paid an awful price for having a Tory government in power. Instead of a scheme for unemployment insurance we have provisions which will bring about greater unemployment. We have a wheat agreement which will provide for the sale and export of only half of the wheat crop of Canada. If the government makes any more agreements we will not need our railways. They talk about building deep waterways, despite the bad condition in which our railroads are to-day. That is all we are getting from this government.

I am sorry it is about six o'clock because there were further points I should have liked to have made in regard to this subject. If I have spoken with greater warmth than is my custom it is because I feel the government is carrying on a humbug of continual promises; it is playing hot one day and cold the next. We have one minister saying one thing in one part of the country, and another minister saying another thing in another part. But when they face this House of Commons they say, "I was speaking only for myself." One good feature I see is that some of the ministers are at last able to speak for themselves. They have sat for more than three long years, none of them daring to utter a word, except on occasions when they have received a nod or a wink from the gentleman who is the whole government of the country.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, February 22, 1934

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

TERMINAL FACILITIES AND OTHER WORKS IN MONTREAL

Hon. R. J. MANION (Minister of Railways): I beg to lay on the table of the house a report of the work performed and the expenditures made, as of December 31, 1933, together with the estimated expenditures for 1934, under authority of chapter 12, statutes of Canada 1929, of construction by the Canadian National Railway Company of certain terminal facilities, with grade separation and other works at and in the vicinity of the city of Montreal.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN YEAR EXTENSION OF BANK CHARTERS

Hon. EDGAR N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 18, respecting banks and banking.

Mr. MACKENZIE KING: Will the minister explain?

Mr. RHODES: The occasion which calls for the introduction of this bill is well known to the house and to the country, inasmuch as the charters of the existing banks expire on the 1st day of July of this year. It is some eleven years since a similar measure was introduced in this house—to be exact, on the 20th day of March, 1923—by the then Minister of Finance, the Right Hon. W. S. Fielding, and I think it might not be amiss if I quoted from one or two paragraphs of his introductory remarks on bringing down that legislation on that occasion. These remarks will be found at page 1310 of Hansard of that year. He said:

> I think, perhaps, the house will be convenienced if I proceed at once, on the motion before us, to state the nature of the bill which I shall have the pleasure of introducing shortly. In that measure the government will bring the best possible judgment they can to bear upon a question of the highest importance, and one of widespread interest. I cannot venture the hope that the conclusions we have reached will be received with unanimity. I am well aware that the question is one concerning which there will be differences of opinion, but I am going to ask, and I think it reasonable to do so, that hon. gentlemen reserve their judgment in the matter, until they have had an opportunity of examining the bill, and, what perhaps is of more importance, an opportunity of participating in or observing the inquiry which will take place before the committee on banking and commerce. So soon as the early stages of this bill are disposed of, it is my intention to ask the house to refer the bill to the committee on banking and commerce, where there will be abundant opportunity for raising every question in relation to it, and the fullest possible opportunity for inquiry and discussion.
>
> The Bank Act is the fruit of the study of a long line of ministers of finance, of governments and parliaments, and I feel that in the main it has served a good purpose; it has proved itself adapted to the needs of Canada; and I venture the opinion—which, possibly, will not be shared by everybody—that any radical change in the act at present would have a disturbing effect upon the business of the country; it is a class of question upon which we shall do well, I think, to go slowly.

The first provision is of course the one which proposes to extend the charters of the banks for a further period of ten years. Perhaps the most important of the earlier changes is that which will be necessitated by the creation of the central bank, and it arises in connection with the note issue. Section 60 of the present bill continues in force until the day on which the Bank of Canada is authorized to commence business the provisions which presently govern the issue of notes by the chartered banks.

Briefly stated, these provisions limit the total amount of the notes of a bank in circulation at any time to the aggregate of—(a) the amount of the unimpaired paid-up capital of the bank; and (b) the amount of current gold coin and of dominion notes held by the bank in the central gold reserves.

In addition during the crop moving season, it is possible for a bank to issue additional notes to an amount not exceeding 15 per cent of the combined unimpaired paid-up capital and rest or reserve fund of the bank.

Section 61 contains the provisions that will govern note issue after the central bank has been authorized to commence business. On that day, subsections 3 to 18 of section 60 are repealed and thereafter the maximum amount of notes which a bank may have in circulation at any time shall not exceed the amount of its unimpaired paid-up capital. Moreover, beginning with the first day of January, 1936, this maximum is reduced by 5 per cent per year for a period of 5 years and then by 10 per cent per year for another period of 5 years. Thereafter, until parliament further enacts, the amount of notes of a bank in circulation shall not exceed 25 per cent of the amount of its unimpaired paid-up capital. These provisions, however, do not operate to limit the right of a bank to issue its notes outside of Canada in British possessions or colonies as authorized by section 62

of the Bank Act. Under no circumstances, however, may the total amount of notes outstanding both within Canada and elsewhere exceed the amount of the bank's unimpaired paid-up capital.

The general purpose of these provisions is gradually to eliminate the note issue privileges of the chartered banks and to secure for the Bank of Canada the sole right to issue notes intended for public circulation in Canada. It is in conformity with the general theory that the right to issue currency is a prerogative of the sovereign and should not be delegated to any private profit seeking institution. Despite the acceptance of this general principle, however, it has been realized that the too sudden withdrawal of the circulation privileges of the chartered banks would undoubtedly result in the closing up of many branches and the consequent loss of banking facilities by many pioneer and small or remote communities.

The next important provision is that having to do with the rate of interest. Section 91, subsection 1, provides that no bank may charge a higher rate of interest than seven per cent, and that every bank which violates the provisions of this subsection shall be guilty of an offence. For each such offence, the bank shall be liable on summary conviction to a fine not exceeding $500, and every officer of the bank who violates the said provision shall be guilty of an offence and liable on summary conviction to a fine not exceeding $100. Provision, however, is made for a minimum charge of one dollar.

It will be recalled that much controversy has recently waged over the precise effect and the wisdom of the provision in the present Bank Act stipulating a maximum rate of interest. Experience in other countries has shown that the attempt to restrict interest rates is usually ineffective and inexpedient in the public interest. In Great Britain, for instance, after several methods had been tried, an act was finally passed in 1854 repealing all the usury statutes.

The question in its Canadian application was given careful consideration by the Macmillan Commission on Banking and Currency, and their comments will be found in paragraphs 249 to 253 on pages 72 and 73 of their report.

In paragraph 251 of their report they make the following statement:

> As regards the future we are of opinion that the choice lies betwen either repealing the subsection altogether or so recasting it as to put it beyond doubt that it is illegal to stipulate for more than seven per cent interest or discount; if the latter course is adopted a penalty for contravention should be imposed.

[Mr. Rhodes.]

After weighing the considerations pro and con, the commission was unable to reach a unanimous agreement, although it might be well to point out that four members of the commission were of the opinion that we should adopt the method that had been found most effective in Great Britain of removing the limitation altogether. The fifth commissioner, however, contended that the statutory maximum still serves a useful purpose; that adequate reasons for repealing the section had not been adduced and that it ought to be retained. The present draft of section 91 retains the statutory maximum, but provides for what we believe will be appropriate penalties in case of contravention.

The next change is that which arises out of the recommendations contained in paragraph 291 of the report of the Macmillan Commission on Banking and Currency, reading as follows:

> As, under the law of the province of Quebec, a married woman could not, apart from section 95, deposit or withdraw money without her husband's consent, the effect of the subsection just quoted is that in this province a married woman cannot without her husband's consent deposit more than $2,000 in a bank. Apparently under the Dominion Post Office legislation a married woman is under no disability as regards the amount which she may deposit in the Post Office Savings department, and may make deposits up to the limit of $5,000 which applies generally. We were asked to recommend that in the case of married women in the province of Quebec the limitation on deposits in the banks to $2,000 should be removed and an unlimited right of deposit conferred, without the requirement of the husband's consent. We think that this is a reasonable request and we recommend that section 95 (3) be amended accordingly.

This recommendation of the commission has been accepted and implemented by eliminating subsection 3 of section 95 of the present Bank Act. This subsection reads as follows:

> (3) If the person making any such deposit could not, under the law of the province where the deposit is made, deposit and withdraw money in and from a bank without this section, the total amount to be received from such person on deposit shall not, at any time, exceed the sum of $2,000.

The next change has to do with the yearly and monthly returns. Various changes have been made in sections 53 and 112 and in schedule G of the act. These sections and this schedule provide for the form of the annual and monthly statements to be made by the chartered banks to the Minister of Finance. The changes made are designed primarily to secure more uniformity between the annual and the monthly return, to clarify previous wording, and in some cases to give a more

detailed classification of assets or liabilities in order to make possible a clearer appreciation of the position of the bank.

The next important amendment occurs in section 75 having to do with the business and powers of a bank. Paragraph (f) of subsection 2 is changed by lowering from ten per cent to five per cent of its paid-up capital the amount of a loan or advance which can be made by a bank to a director or to any firm or corporation in which the president, general manager or director of the bank is a partner or shareholder, without the approval of two-thirds of the directors present at a meeting of the board.

A new subsection 3 is added providing that in no case shall a director of the bank be present or vote at a meeting of the board during the time when loans or advances to himself or any firm or corporation of which he is a partner or director are under consideration. This implements a recommendation made by the Macmillan commission.

Certain changes or additions are made, particularly in section 90, concerning the relations between the bank and its customers, the type of security that can be taken, and so forth. These changes are designed to facilitate the granting of banking credit in certain cases.

A new subsection has been added to section 125 providing for a reduction in the double liability of shareholders pari passu with the withdrawal of the note circulation privilege of the banks.

These are the principal provisions of the bill. There are a number of minor changes which involve clarification of wording, uniformity in phrasing, improved definitions and so forth.

In submitting the bill to the house, I do so with the assurance that the government invites the closest and most careful scrutiny of the committee on banking and commerce, and while it cannot be expected that the measure will meet with universal accord, I express the hope that on the whole it will be found acceptable. As a concluding word may I suggest that, in the interest of public business as well as for the convenience of hon. members, its passage on its way to the banking and commerce committee might be expedited.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read a second time.

Mr. RHODES: Would there be any objection to its being read now a second time for the purpose of facilitating its passage to the banking and commerce committee?

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Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I desire to expedite the measure, but we would like to see it before having it pass its second reading.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

DISABILITY PENSIONS

Mr. PORTEOUS:

1. How many disability pensions were: (a) increased; (b) decreased, as a result of routine medical reexamination of pensioners during the year 1933?

2. What was the increased annual liability as a result of: (a) increased; and the decreased annual liability as a result of (b) decreased?

Mr. MacLAREN:

1. (a) 2,540; (b) 2,695.

2. (a) $480,844; (b) $561,607.

CAIRO POSTAL CONGRESS

Mr. POULIOT:

1. What is the agenda of the Cairo Postal congress?

2. Has the government given special instructions to the Canadian delegates in connection with the subjects mentioned in the agenda?

3. If so, what are such instructions?

4. Since the beginning of this congress: (a) what subjects were discussed; (b) what matters were decided?

5. Has said congress adjourned or come to an end?

6. If not, what questions are to be (a) discussed; (b) decided before the end of said congress?

7. Who are the members of the Canadian delegation who have taken part in the discussion since the beginning of the congress?

8. What technical subjects have they discussed?

Mr. BENNETT: Mr. Speaker, I should like to make a very earnest appeal to the hon. member for Temiscouata to drop this series of questions dealing with the activities of the Postmaster General while attending a postal congress—

Mr. POULIOT: Mr. Speaker, I rise to a point of order. Chapter IV of the standing orders of the house—

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I will wait until the hon. members listen to me. I stand by the rules of the house.

Mr. SPEAKER: Will the hon. member proceed with the point of order?

Mr. POULIOT: I hold in my hand the standing orders of the House of Commons, coming from the table of the Clerk of the House. Chapter IV relates to questions. Standing order 44, paragraph one reads as follows:

Questions may be placed on the order paper seeking information from the ministers of the crown relating to public affairs; and from other members relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same.

Therefore, sir, the right hon. gentleman, in accordance with the rules of the house, which I respect, which I have always respected and which I want to be respected in this house, has no right to state any facts except in answer to my question nor to express any opinion of any kind. He has other opportunities, when we go into supply, or on the orders of the day, to express his views; but, sir, as the guardian of the rules of the house, as the only member of the House of Commons who has any precedence over the other members while in the house, I ask you, sir, to give me fair play. The Prime Minister now is no more than the hon. member for West Calgary, and I am the member for Temiscouata. I ask for your decision, and I expect to receive a decision in all fairness, because all members are on the same footing in the House of Commons.

Mr. BENNETT: Mr. Speaker, I was about to suggest that these questions are not in order, and to indicate that they might properly be and should be stricken off the list by the Speaker. In doing so I was about to make certain observations as to bringing into discredit this parliament or this country or the Postmaster General among foreign countries.

Mr. POULIOT: Mr. Speaker, I rise to a point of order.

Mr. BENNETT: I had not proposed to proceed further with the discussion.

Mr. POULIOT: Mr. Speaker—

Mr. SPEAKER: The hon. member has stated his point of order.

Mr. POULIOT: I wish to state a new one.

Mr. STEWART (Leeds): One at a time.

Mr. SPEAKER: The point of order that has been raised first may be discussed.

Mr. POULIOT: I would like the right hon. gentleman to stop.

[Mr. Speaker.]

Mr. SPEAKER: Will the hon. member take his seat.

Mr. POULIOT: I stand by the rules of the house, which are in print.

Mr. SPEAKER: Question No. 13 will stand for consideration.

CLEMVILLE-PORT DANIEL, QUE., MAIL CONTRACT

Mr. MARCIL:

1. Has the mail contract held by Julien Langlois, for the service between Clemville and Port Daniel, Quebec, been renewed? If not, why?
2. How long has Langlois held this contract and what was the amount allowed him and the service required?
3. Has a new contract been entered into for this service? If so, with whom, on what terms and price?
4. Were any complaints made against the service given by Julien Langlois?
5. If so, have they been investigated, by whom, and with what result?

Mr. DUPRE:

1. No. Contract arrangements were made with another person.
2. Since April 1, 1930. He was paid at the rate of $156 per annum for performance of tri-weekly service of 3½ miles each way.
3. Yes. Felix Langlois at $140 per annum, effective April 1, 1934.
4. No.
5. See answer to No. 4.

HOPETOWN, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Who is the postmaster of Hopetown, Bonaventure county, Quebec?
2. When was he appointed, and on whose recommendation?
3. At what distance is this office situated from the nearest offices east and west?
4. Is the money order business attached to this office?
5. What was the revenue of this office during the last fiscal year?

Mr. DUPRE:

1. John Daniel Ross.
2. (a) October 7, 1933; (b) Hon. Dr. E. Paquet.
3. 1 mile 628 yards west of Rivière Nouvelle and 1½ miles east of Paspébiac Est.
4. No.
5. $142.90.

MONTREAL CUSTOMS HOUSE

Mr. MERCIER (St. Henri):

1. On what date were the foundations of the new customs house, in Montreal, McGill street, built, and what was the cost of such foundations?
2. Were these foundations since protected against weathering? If so, how?

3. Are these foundations still in good order, and in condition to hold in all security, the weight of a new building?
4. Are the plans and specifications for the new building finished?
5. What is the name of the architect, and has he been paid for said plans?
6. If so, on what date and how much?

Mr. STEWART (Leeds):

1. (a) in 1912, caisson foundations constructed, and in 1919, substructure to grade line built; (b) $577,639.
2. (a) Yes; (b) by periodic inspections, weatherproof painting semi-annually and manure covering.
3. Yes, as far as is known from inspections made.
4. Not entirely.
5. Plans were prepared by departmental staff.
6. Answered by No. 5.

*FRENCH TRANSLATION OF SPEECH FROM THRONE

Mr. POULIOT:

1. Who is the civil servant who forwarded to the government the typewritten original text of the translation of the speech from the throne for 1934 in the French language?
2. What civil servant is responsible to the government for this translation?

Mr. CAHAN: Mr. Speaker, the responsibility for the preparation of the speech from the throne rests with the government of the day. This government, so long as it is in office, will assume that responsibility.

SEIZURE OF AUTOMOBILE OF GEORGE ROBERGE

Mr. LAFLECHE:

1. Is the Department of National Revenue at present in possession of an automobile seized and belonging to George Roberge of Asbestos, Quebec?
2. If so, since what date has the department been in possession of this car?
3. Will the department return this automobile to the said Mr. Roberge?
4. If not, will it be sold at auction and when will the sale take place?
5. Will the said George Roberge be advised of the sale?

Mr. MATTHEWS:

1. Yes.
2. July 24, 1933.
3. The department does not propose to return this automobile to the said Mr. Roberge.
4. The automobile will be offered for sale by written tender on April 1, 1934.
5. Mr. George Roberge has been advised through his counsel, Mr. Jos. Duguay, barrister, Victoriaville, P.Q., that the automobile will be offered for sale by written tender on April 1, and that if he is interested in submitting an offer for same he should place himself in communication with the officer in charge, Royal Canadian Mounted Police detachment at Thetford Mines, P.Q.

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. MERCIER (St. Henri):

Is it true that the government will use and spend this year, on relief work for unemployment, the balance of 50 million dollars unanimously voted by the House of Commons, in 1930, for the erection of the terminus station of the National railways, at Montreal, and other railway improvements?

Mr. MANION: The sum referred to was not "unanimously voted," as stated. The expenditure of 50 million dollars was authorized by chapter 12, 1929, with annual outlay restricted to 10 million dollars per annum, except as otherwise approved by the governor in council. It is not intended to proceed with this project as a relief work.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NEW WESTMINSTER PENITENTIARY SUPPLY PURCHASES

Mr. REID:

1. Were tenders called for supplies for the penitentiary at New Westminster during the year 1933?
2. If so, for what supplies?
3. What firms submitted tenders?
4. Who were the successful tenderers?
5. Are any supplies purchased without tenders being called for?
6. If so, what articles are so purchased and from what firms?

Mr. GUTHRIE: Return tabled herewith.

PUBLIC DEBT INCREASES

Mr. HOWARD:

1. What increase has been made in: (a) national debt of Canada from December 31, 1930, to December 31, 1933; (b) the total railway debt of Canada from March 31, 1930, to December 31, 1933?
2. Since the tax on sugar has been in force, what revenue has it produced to the Canadian government up to December 31, 1933?

Mr. CAHAN: Return tabled herewith.

ROYAL CANADIAN MOUNTED POLICE—SHERBROOKE, QUE.

Mr. LAFLECHE:

1. What is the name, headquarters, rank and salary, of all officers of the Royal Canadian Mounted Police in Sherbrooke, Quebec, for the period, April 1, 1933, to February 1, 1934?
2. What is the total amount of monthly expenses for salaries, uniforms, stationery, rent, travelling expenses, car repairs, gasoline, new cars, etc?

3. What is the amount received by the Royal Canadian Mounted Police officers for mileage serving summons and attending court in connection with trial?

4. What officer or officer's family had medical attention during period April 1, 1933, to February 1, 1934, and if admitted to hospital, what hospital, what amount was paid to same, what are the names of physicians attending and what amount was paid in each case?

5. What is the amount received from the local government for local police work?

NEW CARLISLE, QUE. WHARF

Mr. MARCIL:

1. Has a contract been awarded for work at New Carlisle wharf, Quebec?

2. If so, to whom and at what price?

3. What is the nature of the work and how much work has been done under this contract?

4. What is the amount in the main estimates and what is it intended for?

5. Who asked for this work?

6. Who is the overseer and how much has been paid him up to date?

Mr. STEWART (Leeds): Return tabled herewith.

TECHNICAL EDUCATION ACT

BILL TO EXTEND AVAILABILITY OF BALANCE OF APPROPRIATION

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That the Technical Education Act be amended to provide that any balance of the ten million dollars appropriated under the act, unexpended on the 31st March, 1934, shall remain available during any one or more of the five succeeding fiscal years, but no portion thereof shall be paid to any province after the 31st day of March, 1939.

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

Mr. MACKENZIE KING: Before the motion carries may I ask the minister what Technical Education Act is referred to?

Mr. GORDON: This is the original act under which the $10,000,000 was appropriated, part of which has not been expended.

Mr. MACKENZIE KING: What year?

Mr. GORDON: I do not remember the year.

Mr. MACKENZIE KING: The act of 1919?

[Mr. Laflèche.]

Mr. GORDON: I imagine so. I do not know whether it was 1919 or 1920, but it has no reference to the later act passed, I think, in 1931.

Motion agreed to.

TRADE WITH THE UNITED STATES

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, in view of the interest that this house has manifested in the discussions that have taken place as to trade relations between the United States of America and Canada, and as to which dispatches that may have appeared in the press are not quite uniform, I desire to indicate to the house the text of the statement given out by the State department of the United States:

Trade between the United States and Canada is larger in normal times than that between any other countries in the world, and it is natural that both countries should desire to restore the reciprocal flow of commodities to normal proportions. We hope to be in a position at an early date to take steps looking to the completion of a trade agreement with Canada which will further the interests of both countries. We hope first to bring into practical application the "good neighbour" policy between these two great countries which have so much in common.

Mr. MACKENZIE KING: May I ask the Prime Minister the date of the communication which he has just read to the house?

Mr. BENNETT: Yesterday.

RAYON YARN DUTY

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I would like to direct a question to the Minister of National Revenue (Mr. Matthews). In the Toronto Star of January 27, 1934, the following appears:

Toronto importers were startled yesterday to learn that Courtaulds (Canada) Limited, had applied to the customs house here for a rebate of the duty on two large shipments of rayon yarn on the grounds that these shipments had been specifically exempted by order in council.

I would like to ask the minister if any such order in council was issued, and if so what was the amount of the rebates, and why were they granted?

Hon. R. C. MATTHEWS (Minister of National Revenue): Mr. Speaker, I will be very glad to get the information.

SILVER AGREEMENT

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Minister of Finance (Mr. Rhodes) if he can tell the house what

countries, by their governments, have ratified the agreement on silver, and what countries have not yet done so.

Hon. E. N. RHODES (Minister of Finance): I am unable to answer that question offhand, but I will take this as a notice.

DISCONTINUED PENSIONS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I have to advise the house that the Board of Pension Commissioners, with respect to all cases in which the legality of the marriage status of a pensioner was under dispute, will send cheques to such persons as may be affected as from the day of the discontinuance or reduction of the pension, and that the board proposes to refer to the Justice department, for an opinion, the legal questions involved in the determinations at which they had arrived. The matter is under consideration by the Minister of Justice for the purpose of determining whether or not he has authority to refer typical cases from the several categories affected to the Exchequer Court for an opinion or judgment.

With respect to the cases in which the pension or allowance has been reduced or cancelled the board is forwarding cheques to all those who have been thus dealt with without having an opportunity to be heard.

Mr. MACKENZIE (Vancouver Centre): May I ask the Prime Minister if that includes all cases?

Mr. BENNETT: It refers to all cases which have been dealt with since February 1, 1933. The statute now provides that the cases can only be dealt with after an opportunity has been accorded to the person concerned to be heard, so it puts all the cases that have been dealt with since that date in the category of cases provided for by the statute.

Mr. VENIOT: Irrespective of the class in which those cancelled pensions are to be found?

Mr. BENNETT: I said all cases in which, under the statute, it is now provided that the person concerned shall have an opportunity to be heard. They will be treated as though the statute applied as from February 1.

CANADIAN NATIONAL RAILWAYS

CLOSING OF RAILWAY STATION AT AULAC, WESTMORLAND COUNTY

On the orders of the day:

Mr. J. E. MICHAUD (Restigouche-Madawaska): I should like to ask the Minister of Railways (Mr. Manion) if he has received a protest from the government of the province of New Brunswick with regard to the closing of the railway station at Aulac in the county of Westmorland, and, if such protest has been received, what action has been taken?

Hon. R. J. MANION (Minister of Railways and Canals): I receive so many protests of this kind that from memory I cannot say whether or not I have received the one referred to. I have received from someone a protest along that line; I cannot remember at the moment from whom it came, but all I can do is to pass such protests on to the management of the railway, and that I have done. I might just add that of course those interested can appeal to the board of railway commissioners as well.

TOBACCO TAX

On the orders of the day:

Mr. E. J. GOTT (South Essex): I should like to direct a question to the Minister of Finance (Mr. Rhodes). I have received one or two telegrams from the tobacco growers of western Ontario protesting against a proposed tax of 20 cents per pound on raw leaf tobacco. I should like to ask if any representations have been made to the government by the growers of raw leaf tobacco in Canada with regard to this tax; if so, when they were made and if they are likely to receive favourable consideration.

Hon. E. N. RHODES (Minister of Finance): I may say that a deputation waited upon me making representations along the lines indicated, but I am sure my hon. friend will be the first to appreciate that any announcement on behalf of the government with respect to tariff or taxation can be made only in the orthodox way, when the budget is brought down.

BUREAU FOR TRANSLATIONS

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): I may say for the information of those members of the house who may be interested that when government orders are reached on Tuesday next I propose to move the second reading of Bill No. 4, respecting the bureau for translations.

BANK OF CANADA

MOTION BY MINISTER OF FINANCE TO INTRODUCE BILL INCORPORATING BANK OF CANADA

Hon. EDGAR N. RHODES (Minister of Finance) moved:

That, it is expedient to introduce a measure to incorporate a central bank in Canada, and

to provide for the appointment and salaries of the officers and staff of the bank and the appointment and fees of the directors, and to make such further provisions in respect to the functions, powers and administration of the bank as recommended by the Royal Commission on Banking and Currency in Canada.

He said: Mr. Speaker, the bill which is founded upon this resolution is one of unusual importance and significance. It marks an advanced stage in our economic and financial development as a nation. The proposed central bank should not, I submit, be regarded as a break with the past; we are not departing from the system which has served us so well. Rather the central bank should be regarded as another stage in the natural evolution of our banking system.

It has long been an accepted principle in Canada, and I think wisely so, that banking legislation should recognize and closely follow changing conditions in the business and financial world. In recognition of this fact our Bank Act has provided for a decennial revision. The ten-year period since the last revision expired last year, but it will be remembered that at that time, in recognition of the importance of the changes contemplated, this house agreed to postpone the revision for one year in order that the situation might be thoroughly explored. To ensure that the highly technical questions inherent in such a comprehensive investigation should have the benefit of unbiassed, expert consideration, the budget speech of last year promised the appointment of a royal commission. From that speech I quote the following paragraph:

> —to study the organization and working of our entire banking and monetary system, to consider the arguments for and against a central banking institution and to make recommendations for revising or supplementing our existing banking and monetary legislation.

In the meantime this proposal has been carried out, and it now becomes my duty, on behalf of the government, to submit the results to the house in the form of a bill.

The royal commission was appointed on July 31, 1933, by order in council P.C. 1562, naming the following commissioners: Right Hon. Lord Macmillan, P.C., K.C., of London, chairman; Sir Charles Stewart Addis, K.C.M.G., of London, England; Right Hon. Sir William Thomas White, P.C., K.C.M.G., of Toronto; Hon. John Edward Brownlee, K.C., M.L.A., of Edmonton and Beaudry Leman B.Sc., C.E., of Montreal.

It is unnecessary for me to dwell upon the calibre of that board and the work they accomplished. other than to say that I think the banks and the country are especially indebted to Lord Macmillan and Sir Charles Addis for giving to Canada the benefit of their wide knowledge and experience at considerable personal inconvenience to themselves. The inquiry took up a considerable portion of their time, which they gave gladly and willingly, and without remuneration. I do not propose to refer to the terms of reference at length, but I should like to set out the last two paragraphs of the order in council. They are as follows:

> 2. That, without limiting the general scope of their inquiry into the operation of the banking and monetary systems of Canada, the said commissioners shall in particular examine the provisions and working of the Bank Act, the Dominion Notes Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution; and
>
> 3. That said commissioners shall report their recommendations for revising or supplementing the above mentioned acts and for the adoption of such other measures as they may deem desirable to promote the revival of trade and enterprise and to facilitate intra-imperial and international cooperation for the purpose of raising the level of commodity prices and for the purpose of ensuring increased domestic employment and the stability of the economic, financial and social institutions of this country.

The terms of reference, broadly stated, provided for a study of the entire monetary and banking system of Canada, with recommendations for revising or supplementing this system. The first public hearings were held at Ottawa, and from this centre the commission undertook a dominion-wide itinerary which included important cities in every province. Sessions were held in Victoria, Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Halifax, Charlottetown, Saint John, Quebec, Montreal and Toronto. Representations were invited from provincial and local governments, public bodies, associations and individuals. The commission made every effort to secure the widest possible range of information and expert opinion. The list of those who appeared before the commission in the course of its inquiry included sixteen government representatives, twenty-eight officials of Canadian banks, eighty-one officials of public bodies, organizations and associations, and ninety-six personal representatives, making a total of two hundred and twenty-one. The record of the testimony and examinations in these public hearings covers no less than seven volumes containing over thirty-seven hundred pages. In addition the commission received written submissions from no less than one hundred and ninety-six individuals and organizations. These also received the careful attention of the commission. On the basis of this exhaustive and

comprehensive study of our entire monetary and currency system the commission made several important recommendations with which all hon. members are doubtless familiar.

Among the recommendations, and overshadowing all others is the majority recommendation for the immediate establishment of a central bank in Canada. In addition to this the report contained valuable suggestions for the constitution of such an institution. After careful analysis of the entire range of arguments submitted by the commission in support of its recommendations, the government submits to the house this measure to incorporate the Bank of Canada.

It is perhaps worth while to point out the extent to which the principle of central banking has been adopted by important countries of the world. In most of the leading countries the present central banks have, as the Macmillan commission pointed out, reached their present positions of national and international importance by a long process of growth. But particularly since the war the spread of this type of institution to other countries has been very rapid. In fact, Canada is almost in an unique position in being one of the few countries of the world which up to the present time has not had a central bank. Among other British dominions Australia and South Africa have had such institutions for several years, while New Zealand and India have, during the last few months, passed legislation providing for the establishment of central banking institutions. Post-war world conferences repeatedly have pressed for the further establishment of central banks.

We find the following at page 62 of the Macmillan report:

> The International Financial Conference held at Brussels in 1920 unanimously recommended that:
>
> 'The conference is of the opinion that in countries where there is no central bank of issue, one should be established."
>
> Again, at Genoa in 1922, the International Economic Conference resolved that:
>
> "Banks, and especially banks of issue, should be free from political pressure, and should be conducted solely on lines of prudent finance. In countries where there is no central bank of issue, one should be established."
>
> At the World Monetary and Economic Conference of 1933, resolutions, to which Canada was a party, were adopted that:
>
> "The conference considers it to be essential in order to provide an international gold standard with the necessary mechanism for satisfactory working, that independent central banks, with the requisite powers and freedom to carry out an appropriate currency and credit policy, should be created in such developed countries as have not at present an adequate central banking institution.
>
> "The conference wish to reaffirm the declarations of previous conferences with regard to the great utility of close and continuous cooperation between Central Banks."

The question naturally arises: Why has Canada not hitherto had a central bank? I think perhaps the answer is rather flattering to us as a people, and certainly it is a tribute to the character of the services which our existing banks have rendered up to the present time, because it has been due largely to the operation—and successful operation—of our existing system that we could afford, for the time being, to postpone supplementing it with a central bank.

Admitting this fact however, is not to be taken as implying that our banking structure has deteriorated in recent years, making it necessary to supplement it. Rather, the changes which have rendered such action at present desirable are largely external. The complex post-war world conditions within which our banking and currency mechanism must operate have engendered forces which are not amenable to the highly simplified statutory control over our financial structure such as has sufficed up until now. Changed and changing conditions demand constant supervision and an active, rather than passive mechanism of control. To meet these demands is the main purpose for which the central bank is to be created. Perhaps no better statement is available of the chief functions of a central bank than that which is contained in the Macmillan report, and which is to be found at page 63 as follows:

> In the first place, from a national point of view, the central bank, within the limits imposed by law and by its capacities, should endeavour to regulate credit and currency in the best interests of the economic life of the nation and should so far as possible control and defend the external value of the national monetary unit. In the second place, from the international point of view, the central bank by wise and timely cooperation with similar institutions in other countries, should seek, so far as may lie within the scope of monetary action, to mitigate by its influence fluctuations in the general level of economic activity. These functions do not, of course, exhaust the tasks of a central bank. Within a state the central bank should, in addition, be a ready source of skilled and impartial financial advice at the disposal of the administration of the day. In return for the privileges which the state confers upon it, the bank should use its store of experience in the service of the community without the desire or the need to make profit a primary consideration.

In simpler form these functions may be stated as:

1. To regulate internal credit;
2. To regulate the foreign exchanges;
3. To mitigate fluctuations in the level of

production, trade, employment and prices as far as may be possible within the scope of monetary action and;

4. To give expert and impartial financial advice to the government of the day.

It cannot be too strongly emphasized that the exercise of these functions lies outside the power of any single commercial institution or group of commercial institutions. No purely profit-making institution operating in a competitive system can afford to place social interests before its own in regard to credit policy. This, I think, is obvious. Nor can the management of such a body be expected to regard the maintenance of the monetary standard, for example, as a duty prior to its obligations to the stockholders. Clearly it is impossible to visualize any effective international cooperation to the end of mitigating world fluctuations in business unless predicated on a high degree of internal unity and control. This latter feature we certainly lack in Canada.

At this point we are now able to see in proper perspective the role which some have claimed should be filled by the Finance Act. The Finance Act, it may be said, has served us in the manner of providing a "halfway house" in a period of transition from the stage of passive statutory control over our banking and currency system to one of active centralized regulation. In providing an elasticity in our credit structure, and particularly in emergency use, the Finance Act has fulfilled a useful function. It is clear now that while in a position to offer some of the advantages which follow from a central bank it lacked the powers of control ordinarily associated with such an institution. To make provision in the Finance Act for the powers necessary to perform adequately the functions outlined above would, in effect, mean the creation of just such an institution as is proposed in this bill.

It is important that the nature of the contemplated regulation over credit policy be clearly understood. It is not proposed that the Bank of Canada shall be directly responsible for the general level of prices within Canada. Certainly, prices of particular commodities are not to be its direct concern. It is believed desirable, however, and it is intended that the bank shall have a definite measure of control over the total volume of credit and thus be in a position indirectly to exert an influence over the general price level. The ability of central banks to maintain any monetary standard, indeed, largely depends upon its control over internal credit policy, as also does its ability to cooperate with other nations in financial programs of mutual benefit.

Just here I think I should recite in full the whole of paragraph 207 of the Macmillan report, which says:

207. It is easily possible to expect either too much or too little of central bank action. A central bank is at the same time an instrument and a force. As an instrument it is the means by which the state—which must necessarily retain ultimate sovereignty in matters affecting the currency—can give effect to the national policy. As a force the central bank has certain powers in its keeping which can be used to achieve the ends of national policy. Clearly these powers are of differing efficacy according to the aim of the policy. A central bank cannot be expected to influence directly the price of a particular commodity. It is even not desirable that a central bank should be specifically charged with any responsibility for the general price level of a country. There are many factors, of varying nature, which combine to influence that level, and a central bank, working as it does purely in the monetary sphere, cannot be expected to have complete control, though it may well have a measure of influence. If it attempted to exercise any drastic control it would have to wield powers far beyond those which any body other than the sovereign authority would be entitled to exercise. It is manifest, however, that the regulation of the volume of credit is an important factor in influencing the level of economic activity and therefore of prices and this is one of the cardinal tasks of a central bank. In the absence of a central bank it is a task the fulfilment of which is either left to chance, or performed inadequately by other agencies. The regulation of the quantity of credit is effected by the action of the central bank on the reserves of the commercial banks. By increasing or diminishing these reserves, or by increasing the cost of securing them, there is set in motion a process of expansion or contraction through the ordinary channels of banking. A central bank is thus not a competitor with the commercial banks. Its functions are regulatory and indirect.

In some quarters, there has been apprehension that the creation of this institution would injuriously affect the chartered banks.

It is our belief that there is no ground for this apprehension. On the contrary, experience in other countries has demonstrated the fact that the whole banking structure has been strengthened to the benefit and not the detriment of other banking institutions.

The Bank of Canada is not to be regarded as a competitor with our chartered banks. Its functions are intended to be supplementary and regulatory.

The Macmillan report refers to the introduction of a central bank in South Africa and in Australia, and I quote one paragraph of the report in reference thereto:

It is perhaps worth observing that in South Africa and Australia the commercial banks

viewed the advent of central banking with considerable mistrust, possibly owing to a failure to appreciate the part which a central bank is designed to play, and to apprehensions as to the extent of its disturbance of the existing banking system. The first years of its operation were thus rendered more difficult by the lack to some extent of cooperation on the part of the commercial banks but in recent years there has been a growing appreciation of the advantages of central banking leadership and control, and the central banks in these two countries have now obtained both the goodwill and the cooperation of the commercial banks.

Coming to the main features of the bill itself, I shall indicate them as briefly as possible. As at present proposed the bank of Canada is to be a privately-owned institution, the chief officers and directors of which initially are to be appointed by the governor in council. Several provisions have been included which are designed to remove the fear that a privately-owned institution might come under the control of bankers or other financial interests. In other words, the endeavour has been made to retain the advantages of private ownership without its disadvantages. Thus, the Bank of Canada, though privately owned, will operate as a public trust. Profits are definitely limited to 6 per cent upon a small capital. Adequate powers are given to the bank to perform the functions which I have described as appropriate for a central bank. Thus it is to have power to buy and sell gold and silver, bills of exchange and promissory notes, and certain stipulated kinds of securities. It may also rediscount bills and notes, make loans and advances to the banks and to the dominion and provincial governments, and accept non-interest-bearing deposits. In addition, it is intended that the bank shall eventually possess the sole right of note issue. Against its notes and deposits a reserve of at least twenty-five per cent is to be held. The legal reserves of the chartered banks will in future be held, in part at least, with the central institution.

It will be obvious at once to those familiar with the Macmillan report that the suggestions contained therein have been closely followed. That document has provided the foundation and largely the material of the structure. The task of the government has been to implement and where necessary to supplement rather than to create outright. In this the aim has been to provide Canada with a central bank best suited to our own particular needs.

It is proposed that the capital of the bank shall be $5,000,000. This amount was regarded as adequate by the Macmillan commission. In the determination of this figure it was borne in mind that dividend obligations to stockholders should be as light as possible. The management should be free to perform its public functions without regard to the necessity of making profits. Provision is made for increasing the capital from time to time, if occasion should demand it.

Shares, which are to be of $100 par value, may be held only by British subjects ordinarily resident in Canada or by Canadian corporations. The chartered banks are to be strictly prohibited from holding shares directly or indirectly, as are also bank directors, officers and employees.

In order to secure a wide distribution of ownership, not more than fifty shares—$5,000—may be held by or for the benefit of any one person other than the Minister of Finance.

Dividends to shareholders may not exceed six per cent. Profits in excess of this and after reasonable provision has been made for reserve and other purposes are to be paid into the consolidated fund. Thus it is to be noted that, although private ownership is contemplated, the bank is not to be a "profit making" institution. This feature sharply distinguishes the bank from the ordinary business or commercial enterprise and is designed to enable the bank to pursue its legitimate ends, unhampered on the one hand by the urge to make profits and on the other by undue political interference.

The initial appointments of governor, deputy governor, and assistant deputy governor are to be made by the governor in council. The term of office of these executives of the bank is seven years. They are eligible for reappointment. Subsequent appointment of these officers is to be made by the directors with the approval of the governor in council.

Likewise, the first directors are to be appointed by the governor in council. Thereafter they are to be elected by the shareholders and are to be eligible for reappointment for terms of five years. The original directors retire in rotation as follows:

1. After the 3rd annual meeting;
2. After the 4th annual meeting;
2. After the 5th annual meeting;
2. After the 6th annual meeting.

The question of control is important. Broadly stated, the problem in this connection is that of creating an institution which shall be devoted to the public interest but which shall not be subject to the exigencies of politics in the narrower sense of the word. The services of the bank should obviously be at the disposal of the government, particularly in times of severe crisis and emergency. Clearly, however, the bank should not be subject to dictation by the government, for at

times the exigencies of public finance might not be wholly in harmony with banking policies that might be considered wise and essential in the general public interest. Clearly, also, the bank should be protected from pressure by particular private interests. It is in view of these demands and possible dangers that the above regulations regarding ownership, appointment of officers, and limitation of profits, etc., have been drawn up. In this light these various features may be explained, for example:

1. Private ownership renders the bank more independent and detached from political controversy than would be the case under direct public ownership.

2. Limitation of profits removes dangers inherent in private ownership, but still offers conservative investment for private capital.

3. Limitation of share holdings, broad diffusion of stock ownership, and the provision that none of the shares may be held by chartered banks or by bankers tend to avoid pressure from particular interests.

4. Initial appointment of officers, including directors, by governor in council with provision for approval of subsequent governor, deputy governor, and assistant deputy governor by the same body affords guarantee of proper expert and disinterested leadership. The features allowing for only gradual retirement of original directors, with eligibility for reappointment, ensures that continuity of sound policy is made possible. This again affords protection against special interests. Sole powers given the minister to cast proxy votes of shareholders absent from annual meetings adds further to this protection as also does the reservation to governor in council of right to approve by-laws.

It is believed that the provisions here outlined will provide a workable organization combining the advantages of private ownership with adequate protection of the public interest.

In defining the powers of the bank, an attempt has been made in the bill to provide ample scope for the exercise of all legitimate central banking functions and yet to restrict the bank's assets to the most liquid and highest grade securities so that it may always be in a sufficiently strong position to assist in tiding the country over periods of strain.

The bank is to be allowed to buy and sell coinage and gold and silver bullion, transfer funds within and to and from Canada, and deal in bills of exchange of specified types and maturities.

It is also permitted to purchase on its own initiative or to rediscount certain types of investments. These are to include short and long term securities issued or guaranteed by the dominion or any province, with strict limitations, however, on the amount of such long-term securities which may be held. The short-term securities of the United Kingdom, other British dominions, the United States, and France, as well as a limited amount of long-term securities of the United Kingdom and the United States, may also be purchased. These provisions have been framed to allow the bank to hold earning assets in a suitably wide range of currencies. The limitations on the holdings of long-term securities are to assure a high degree of liquidity at all times.

The chartered banks are to be given access to central bank credit in a set of provisions which afford them privileges comparable to those which they now enjoy under the Finance Act. Thus, the bank is to be allowed to buy and sell or rediscount a wide range of bills of exchange and promissory notes endorsed by a chartered bank. Loans and advances may also be made to the chartered banks for limited periods on pledge of suitable collateral.

The dominion and provincial governments are also eligible for loans and advances but, in accordance with the suggestions in the Macmillan report, these are subject to appropriate limitations.

Deposits are to be accepted from the dominion and provincial governments and from the chartered banks but such deposits will not bear interest. It is expected that the provisions for chartered bank deposits will greatly facilitate clearing operations.

For the purpose of carrying on open market operations the bank is permitted to buy and sell in the open market securities, cable transfers, bankers' acceptances and bills of exchange of specified kinds and maturities, with or without the endorsement of a chartered bank. Open market operations are recognized as one of the important devices by which central banks maintain control over credit. Ample scope is here provided for the bank's activity in this connection.

The bank is to be required to act as fiscal agent of the Dominion of Canada without charge and may also by agreement act as banker or fiscal agent for the government of any province.

It is obviously unwise for a central bank, owing to the nature of its functions in the community, to engage in or have a direct interest in any industrial or commercial undertaking. Nor should it make loans or advances on real or immovable property. Unsecured loans and renewals of loans and advances

should not be allowed except under rigid limitations or in exceptional circumstances. These are among the various kinds of business specifically prohibited in the bill.

It is intended that the bank shall eventually possess the sole right to issue notes in Canada. The Macmillan report's comment on this matter is worth giving. It will be found on page 98 of their report and it reads as follows:

> A central bank is responsible for the control of the volume of credit and the maintenance of the stability of the value of the currency. This responsibility connotes that the bank should be granted the sole right of issuing currency (other than coin) for it would be intolerable that a central bank's policy should be hampered by the action of other issuing authorities in a country. The experience of other countries has shown conclusively that the right of issue is not indispensable in assuring adequate profits to commercial banks.

In accordance with this recommendation the Bank Act is being amended to provide for the gradual retirement of the notes of the chartered banks. The Dominion Notes Act will be amended, and this act, together with the act of 1915 respecting dominion notes, and the Finance Act, will be repealed as of the day on which the Bank of Canada is authorized to commence business. With the opening of the Bank of Canada, the Minister of Finance will transfer to it gold now held against dominion notes, silver bullion to the limited amount necessary to implement the London Agreement, namely, 1,671,802 ounces, and securities of the dominion equal to the balance of dominion notes outstanding, and thereafter the bank will become responsible for the redemption of all such notes.

Bank of Canada notes are to be legal tender in Canada. It is not contemplated that they should be redeemable in gold coin. Provision is made, however, that when suspension of specie payments is not in effect, Bank of Canada notes will be redeemable in gold bars containing approximately 400 ounces of fine gold. This regulation providing for the redemption of notes in gold bars follows the practice adopted by Great Britain when gold payments were resumed in that country in 1925, and subsequently adopted by a great many other countries. The United States, which recently passed the Gold Reserve Act sponsored by President Roosevelt, is the most recent country to provide for the redemption of its currency in the form of gold bars. This arrangement is usually called the gold bullion standard; it accepts the theory that under conditions gold is primarily of use only in the settling of international balances of payments and it is designed to prevent any possible embarrassment to the bank from an internal drain of gold for, say, hoarding purposes.

Against its notes and deposit liabilities the bank is required to hold a minimum reserve of 25 per cent in gold. In addition to this minimum reserve, the bank may hold silver bullion in an amount limited to the obligation assumed by Canada under the International Silver Agreement, signed at London last summer, and foreign exchange in the form of bank balances, short-term treasury bills of the United Kingdom or the United States of America and short-term bills of exchange payable in sterling or United States funds or funds of any country on a gold standard.

In fixing the minimum reserve ratio at 25 per cent in gold and in providing, as above, that notes be redeemable only in gold bullion, the government is meticulously observing the resolutions passed at the London conference last summer. It is going beyond the recommendation of the Macmillan report, which suggested that part of the minimum reserve of 25 per cent might be held in the form of foreign exchange. Such foreign exchange as the Bank of Canada may hold may be regarded as part of the bank's reserve, but it must be in addition to the minimum gold reserve of 25 per cent.

In order that the central bank may be enabled to exercise the necessary control over credit policy in Canada, the chartered banks are to be required to maintain with the bank deposits equal to five per cent of their deposit liabalities within Canada. At present, each bank is free to determine the size, form and location of its cash reserves, except for the requirement that 40 per cent of whatever reserve is held must be in the form of dominion notes. The regulations here proposed will tend to concentrate the banking reserves of Canada and to provide that they shall not fall below a certain limit. It is through this power to influence the volume of chartered bank reserves by various kinds of action that the bank is able to exert its influence over the total volume of credit. These provisions which concentrate reserves and ensure an adequate reserve position should add considerably to the strength of our credit structure.

On the opening of the bank all gold held by the chartered banks is to be transferred to the Bank of Canada. The value of the gold so transferred is to be computed on the basis established by the Currency Act, that is to say, $20.67 per fine ounce. Profits from such gold transferred to the Bank of Canada by the

chartered banks, in so far as such gold has been held against their liabilities within Canada, are to accrue to the Dominion government. Similarly, the government will secure any profit that may result from the revaluation of the gold which has been held as security against dominion notes, and which is transferred to the Bank of Canada. From time to time in the future also the governor in council is authorized to require every chartered bank or every other person to transfer to the bank any or all gold coin or bullion held in Canada which is owned by such chartered bank or such other person.

Appropriate provisions will be found in the bill for shareholders' audit of the bank and such further audit and inspection by the Inspector-General of Banks or by outside auditors as the Minister of Finance may deem to be desirable.

Provision is also made for weekly, monthly and annual reports.

The bank is to be required to establish a rest fund and any surplus earnings after meeting charges of management, depreciation of assets, et cetera, and after payment of accumulated dividends at six per cent are to be applied as follows:

One-third of such surplus shall be transferred to the rest fund and the residue to the consolidated revenue fund if the rest fund of the bank is less than the paid-up capital;

One-tenth of the surplus to the rest fund and the balance to the consolidated revenue fund if the rest fund is as large as but less than twice the paid-up capital; and

All the surplus earnings to the consolidated revenue fund when the rest fund is equal to twice the paid-up capital.

In conclusion, I desire to assure the house that the government has given careful thought and study to the drafting of this bill. At the same time, in submitting it to the banking and commerce committee, it invites that committee to give it the most careful examination and scrutiny, and if in its judgment any amendments can be made which will be designed to accomplish more fully the purposes of the measure or to strengthen its provisions, they will be not unwelcome.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the motion which is under consideration is one to enable the Minister of Finance (Mr. Rhodes) to introduce a bill establishing a central bank in Canada. As foreshadowed in the speech from the throne, the central bank measure will in all probability be the most important bill to be introduced at this session of parliament and, as the minister himself has just said, one of the most important measures ever introduced into the House of Commons of Canada.

At this preliminary stage of the introduction of the bill, it is not to be expected that any debate whatever will take place. The minister was not only justified but wise in giving, as he has done, at the earliest moment possible, a very full explanation of the main provisions and features of the bill. The country has been waiting, as well as this parliament since it assembled, for the measure to be introduced. From what the minister himself has said this afternoon it will be apparent that the provisions of the bill are so many, so important and so far-reaching that it would be most unwise to attempt any criticism or comment upon them until hon. members of the house have the bill in its entirety before them and are able to weigh the value of the different provisions in relation to each other.

I would like, however, to make perfectly clear the attitude of the official opposition with regard to the measure now being introduced. The bill is one for the establishment of a central bank. I need not repeat that we on this side of the house have for some time past been advocating that a central bank should be established in Canada. We have been urging the government to enact such a measure. I must commend the Minister of Finance and the government on having accepted—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: —a suggestion from this side of the house at last. Yes, and may I point out, it is a constructive suggestion that has been acted upon. They are adopting a measure which is recognized now on all sides as being essential in the development of our banking system in this country.

Speaking on the 27th of February last, just a year ago this week, I made very clear in this house the position not only of the official opposition, but of the Liberal party as such on the question of a central bank and I would like now to repeat the words then used. The statement was made at a time when I was presenting the position of the Liberal party with respect to some present day problems. At that time, speaking of banking, credit, and currency, I said:

> Liberalism believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to

perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank is necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange.

That statement is clear and concise. From our point of view it did not require any royal commission to inform the government as to what was necessary with respect to the establishment of such a bank.

Mr. ERNST: It was all worked out in detail.

Mr. MACKENZIE KING: However, we have the report of the royal commission, and I should like to join with the Minister of Finance in expressing appreciation of the services voluntarily given by Lord Macmillan and Sir Charles S. Addis as members of that commission. I refrain from commenting on the complexion of the commission as a whole in not having had included in its personnel representatives of certain classes in the community that I think should have been included. I do so, simply because I do not wish to provoke debate at this stage. But I have pleasure in joining with my hon. friend in expressing appreciation of the services of the two distinguished and eminent authorities whose names I have mentioned.

In so doing I wish to make clear, and I emphasize this more particularly because the resolution before us makes reference to the Macmillan report, that in supporting the resolution we are not to be assumed to be supporting everything that has been recommended by the Macmillan commission. I wish to make equally clear that in supporting the motion to enable the minister to introduce the bill we are not for one moment to be assumed to be endorsing the several provisions of the bill. As a matter of fact we have not seen the bill yet, and therefore notwithstanding the minister's lengthy explanation, could not be expected to express any opinion on its provisions. All we can be said to be doing at this stage is expressing our approval of the introduction of a bill to create a central bank. There are provisions in the bill as announced by the minister which I think will commend themselves to hon. gentlemen on this side. There are some provisions which the minister has mentioned to which I believe exception will be taken. Therefore I want to make it particularly clear that when the minister states that the bank is to be constituted in a certain way, that certain powers are to be given to its officers, that the officers are to be appointed in a certain way, that the stock is to be held by certain persons only these are all features of the measure on which we express no opinion at the moment with respect to and on which we wish to reserve our right to discuss very fully when we have the bill itself before us. At the moment we are simply acquiescing, and acquiescing very cordially, in the introduction of a bill for the purpose of creating a national central bank in Canada.

I do not think I need add more than that. The minister will, I assume, be prepared to answer questions when the resolution is being considered in committee of the whole. I wish to conclude with words, which have reference to the concluding words used by the minister himself, and say that our attitude on this side will be governed very much in the light of the minister's statement that he will invite before the banking and commerce committee to which he intends to refer this measure full consideration of its respective provisions, and that the government is still open-minded and will weigh carefully any suggestions which may be put forth there. We have no desire in any way to delay the measure in its progress to the banking and commerce committee. Indeed we wish the measure might have gone to the committee at an earlier date, recognizing how important that stage will be. I repeat, the attitude of hon. members on this side in permitting the bill to be expedited towards the committee stage is due to the fact that when the bill is before the committee they will then have opportunity to express very fully their opinion with respect to its different provisions, and, if thought advisable, to move amendments to the measure when it comes again before the house.

Mr. G. G. COOTE (Macleod): The establishment of a central bank in Canada has been urged from this corner of the house for a good many years.

Some hon. MEMBERS: Oh, oh.

Mr. COOTE: For the information of members who have only been in the house for one term of parliament may I say it has been advocated in the banking and commerce committee for the past ten years by hon. members from this corner. I will not attempt to put on Hansard a record of the various attempts which were made, but perhaps it is worth while to remind the house that in 1931, three years ago, with the approval of members from this corner, I personally moved:

That, in the opinion of this house, there should be established in Canada a nationally owned central bank.

On that occasion the only support which the suggestion received was from the hon. members in this corner. As far as I remember the leader of the opposition did not take any part in the debate. The Prime Minister on that occasion said that he could not agree to the establishment of a central bank at that time. It might be worth while reading to the house the last sentence of his remarks on that occasion. He said:

> But I ask my hon. friend not to press his motion to a vote at this time because this country is not prepared to make the change that his motion involves, and until it is apparent it is, there is no good reason why the action should be taken. But I assure my hon. friend I am sufficiently alive to human progress to realize that time may come, and if when it comes, we are here, as we probably shall be half a century hence, that action will be taken.

When I introduced the motion three years ago, Mr. Speaker, the main reason I gave, which was stressed all through the course of my remarks, was the need to establish some agency to control credit in Canada in order to maintain, so far as it can be done through monetary control, a stable price level. I want to say that if that action had been taken at that time; if we had set up in Canada a nationally owned central bank charged with that duty and given the necessary powers, we would to-day be in a better position as a nation. On that occasion I pointed out that Australia had a nationally owned bank, and I think it worth while to advise the house just what use has been made of that bank in that country. It has assisted materially in bringing about in Australia much better conditions than exist in Canada. I have here a review of an article which was written by Professor Douglas Copeland, of the university of Melbourne, and which appeared in a recent issue of Lloyds Bank Monthly Review. In paragraph 4 the review points out that the expansion of credit in Australia was of great assistance to the government in meeting the depression in that country. The review goes on to say:

> Bank credit was expanded for financing government deficits and public works by the issue of treasury bills through the Commonwealth Bank, Australia's central bank. During the crisis the expansion was at least 40 per cent. The treasury bills held by banks in Australia last June amounted to approximately 48 million pounds. They bear interest at two and a half per cent.

That is worth noting.

> They form a convenient form of investment for banks in a period of low demand for business loans. They may be discounted at the Commonwealth Bank. Various kinds of fears have been expressed regarding the dire consequences which would follow the issue of the bills, but so far nothing has happened to cause Australia to lose sleep over them.

As a result of the joint action of the Commonwealth Bank and of the government—and this action was taken at the request and with the full approval of the government—for eighteen months commencing in January, 1931, Australian wholesale price levels were relatively stable. They fell seven points as a result of the crisis in the United States, which began in October, 1932, and reached bottom in March, 1933. Then they recovered. Taking 1911 as 100, wholesale prices in 1931 were 143 and in 1932, 141. The corresponding figures for Canada are 118 for 1931, 109 for 1932, 100 for last March and 111 for last June. In other words, our wholesale price index in Canada has been approximately 30 points below the level in Australia, and as a result of that our producers and businessmen, and the country as a whole, find themselves infinitely worse off. Four years ago Australia was in a worse position than Canada, or to put it the other way I would say that Canada was in a better position than Australia, but Australia took appropriate action; they had what I consider a more intelligent monetary policy, and one reason why they were able to do so was that they had a central bank. Yet when I introduced the resolution in 1931 asking for a national central bank it received no support outside this corner.

I was discussing the question of the relative position of Canada's currency on the world markets with some professors of economics in Canada in 1931, and they agreed that I was right in my contention that our currency was at too high a level, but they said, "We have no machinery to control it, and we will have to put up with the present position." I asked, "What do you mean by machinery?" and their reply was, "We have no central bank." I came to this house and introduced the resolution asking for the establishment of a central bank, but it was refused by the government. Now the idea has become popular in all quarters. I am very glad of that, but as a citizen of Canada I must express my regret that we did not take action three years ago. I believe I would not be overstating the case if I said that if, during the past three years, we had maintained in Canada the price level that has been maintained in Australia, this country would be better off by a billion dollars. If in 1932 we had maintained a comparative price level with Australia our wheat crop of that year would have been worth a hundred million dollars more in Canadian currency to the

farmers of western Canada, and the same difference, in proportion, would apply to all our other exportable products. It is worth while pointing out that while we have strained every effort during the last three years to balance our budget, last year we wound up with a deficit of something like $150,000,000, while the commonwealth government of Australia for their last fiscal year had a surplus of £3,000,000, largely due to a different monetary policy. One reason why Australia was able to have this different monetary policy was that they had a bank of their own, a nationally owned bank if you like.

This is perhaps not the appropriate time, to discuss in detail the proposal as brought in by the Minister of Finance this afternoon; that will come when we have had an opportunity of reading his remarks in full and seeing the bill. I do want to say to-day, however, that I see no reason at all for having any paid-up capital for this bank. The Commonwealth Bank of Australia had no paid-up capital, and it has been an eminently successful institution and has made profits for the government. If I remember correctly it started off with an advance from the government of £10,000 for till money, but I am satisfied that it had no paid-up capital. I see no reason at all for loading up this bank with a paid-up capital of $5,000,000 on which we are going to pay six per cent. That means paying out $300,000 a year to the holders of this stock, and there is no need for that.

Next I want to say that in my humble opinion this should be a nationally owned bank, as was stipulated in my resolution in 1931. This country to-day is facing problems which are very difficult of solution. Almost every problem that you could name, almost every problem that was mentioned in the debate on the speech from the throne which took up three weeks of the time of this house, depends on a national credit policy for its solution. To-day we should have the very closest cooperation between the central bank and the government. That cooperation should be as close as the cooperation that now exists between two departments of the government. This bank is going to have more power than the government has, once we turn over to it the sole right to issue legal tender and credit in Canada. I cannot imagine this house turning over to a privately owned institution the sole right to issue legal tender in this country, in which debts of approximately fifteen billion dollars are expressed. Is a private corporation going to issue enough legal tender or is it not? Apparently this parliament is to have no say in the matter; we are going to turn over that right to a privately owned institution. I simply cannot let this opportunity pass without saying to the Minister of Finance that I do hope that when we come to discuss the bill he will see his way clear to change that part of it so that the bank that is to be set up in Canada, that is to have such wide powers and that might be so useful to us in solving the problems with which we are now confronted, should be nationally owned and controlled.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like, if I may, to endorse and supplement what has been said by my hon. friend from Macleod (Mr. Coote). It was with somewhat mixed feelings that I listened to the announcement of the establishment of a central bank in this country. We have been advocating something of the kind for years.

Mr. BELL (Hamilton): How many years?

Mr. WOODSWORTH: For some ten years, but I must confess that I am not very well satisfied with the announcement that has actually come to us. It seems to me if I might use an illustration it would be something like this: A sharp knife is preferable to a dull knife; but a sharp knife may be used in the hands of a skilled surgeon to save life. It may be used in the hands of a murderer to take life. I am afraid the central bank may become a means of more effectively scalping the public. The pressure of public opinion undoubtedly has forced the government to take action along this line. This measure may possibly placate the public, but I think it is only fair to warn the Canadian people that the central bank as proposed will not accomplish what some of us, at least, have been urging during these years. As was to be expected, the banks have again won. Even although in some individual measures proposed the banks may not be in full accord, essentially the financial control still remains with the financiers and is not secured for the public.

As I heard the reasons advanced by the Minister of Finance (Mr. Rhodes) for the establishment of a central bank I could almost hear the echoes of what we have said in this corner of the house for some years past. But when he proceeded to give the outlines of the proposed legislation I felt that after all we were being, shall I say, "fooled." I do not wish to use any word which would be offensive, but my belief is that the legislation proposed will be so far from accomplish-

ing the purposes for which the central bank should be established that the public at least ought to be warned of the real situation.

Sometimes hon. members in this corner of the house have been called wild-eyed visionaries. For that reason possibly I might be permitted to take a few minutes to bring to the attention of the house some of the measures which we have urged in the past. The hon. member for Macleod has mentioned several. I can recall very distinctly, when the Bank Act was being revised in 1923, moving in committee for the establishment of the position of inspector general of banks. That was turned down. It required the failure of the Home Bank before the government of that day would permit the appointment of an inspector general of banks. In 1923, while the act was under revision, I can recall very distinctly—and my recollection is borne out at page 4018 of Hansard—urging that some steps should be taken to curb the power of the banks. I pointed out the interlocking directorates which existed and how, by means of this, great power was in the hands of the bank directors, and that virtually in Canada we had a money monopoly.

Further, in 1925, I find this resolution standing in my name:

> That, in the opinion of this house, it is not in the interests of the country at large that the privilege of issuing currency and controlling financial credit should be granted to private corporations.

To-day the leader of the opposition (Mr. Mackenzie King) has claimed that for a long time the Liberals have been in favour of a central bank. May I say that we did not receive any very great assistance from the government of that day when we put forward the proposal I have just mentioned. Hansard will amply indicate that. The hon. member for West Hamilton (Mr. Bell) scoffs at the suggestion that we proposed these things.

Mr. BELL (Hamilton): I did not scoff at anything. It must have been the smiling member for East Hamilton.

Mr. WOODSWORTH: Ten years of sunshine has done its work upon the copy of Hansard from which I am quoting. It is now badly faded, but it indicates that that far back we were trying to secure some changes. Further, in 1926 a similar resolution was brought in.

In 1928 I moved, in somewhat more positive form:

> That in the opinion of this house the time has come for the establishment of a national system of banking.

[Mr. Woodsworth.]

While I recognized that that could not be brought about at one fell swoop, I did urge these points, which I summarized:

> . . . that we need greater government control than we have at present because we have reached a stage of industrial and financial development when a few men not directly responsible to the people, control the money practically of the whole people of Canada.
>
> Secondly, the banks still have in their own hands the valuable franchise of issuing currency. This should not be given to any privileged group. The issue of money is essentially a government function.
>
> Thirdly, I went on to speak of the control of credit. It is necessary to have some central control in order that the weaker portions of the country and the weaker industries can be protected against those strong concerns which now are working in such close cooperation with the banks. Further, as undoubtedly, according to the authorities I have quoted, the amount of money in circulation, including the credit which was given, has a direct bearing on the cost of living. It is all important that this function too, should be controlled by officials who are responsible to the public, and not to irresponsible private corporations.
>
> There is a fourth point which I have not had time to develop, but which I shall simply mention in closing, and that is that if some plan of this kind could be carried out it would assist materially in government financing.

I would urge to-day that the power of finance in Canada is almost supreme. I think I am not going too far to say that in practice it is greater than that of the government. In recent years some of us have been almost shocked when we learned that the army and the military clique in Japan had never been brought under the control of the parliament of that country. Well, I take it that in Canada the financial powers have never been brought under parliamentary control. Even as far back as the time of Mr. Gladstone I find that there was a dawning recognition of the tremendous power of the banks.

Reading from Morley's Life of Gladstone I find a statement from Mr. Gladstone:

> From the time I took office as Chancellor of the Exchequer I began to learn that the state held, in the face of the bank and the city, an essentially false position as to finance. The hinge of the whole situation was this: The government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. . . . I was tenaciously opposed by the governor and the deputy governor of the bank, who had seats in parliament, and I had the city for an antagonist on almost every occasion.

I think the only difference between Mr. Gladstone and the ministers of finance we have had in this country in recent years is

that at least he fought against the financial power, while our ministers of finance apparently have acquiesced in their policies.

May I emphasize several points which seemed to me to be of importance, but which are not affected by this measure. First of all let us consider the interlocking directorates of our present chartered banks. Although there may be some control of credit in this new body which is to be created, as a matter of fact a very large measure of the control of credit will still be in the hands of the chartered banks. That means that they can throw credit this way or that way. I am glad to note in the outline of the legislation containing proposed changes in the Bank Act that there is some little control over the amount that may be loaned to directors. That will be of assistance. But even with that we may still have the chartered banks very largely in the position to say whether credit shall be given or withheld, and to whom credit shall be given. We in this group still think, that credit ought to be in the nature of a public utility and that it ought not to be placed in the power of private, and may I say, irresponsible individuals.

I am glad to note in this proposed legislation that ultimately the new bank is to have control of the issuance of the currency, but I do not know why the government should treat the banks so leniently. Several years ago we were told that the franchise of issuing currency was of no very great importance, but now the banks have come to the position where they admit that it is of great financial importance to them, and so under the proposed legislation this franchise is to be taken away from them by very gradual steps indeed. It does seem to me that the issuance of currency is a prerogative that ought never to have been surrendered and one that ought immediately to be taken back by the government.

As to the control of credit itself, which in my judgment is a great deal more important than the power to issue currency, may I read two or three very significant sentences from the Macmillan report, which I believe the Minister of Finance has already quoted to-day:

> From a national point of view, the central bank, within the limits imposed by law and by its capacities, should endeavour to regulate credit and currency in the best interests of the economic life of the nation and should so far as possible control and defend the external value of the national monetary unit.

Again:

> There are many factors, of varying nature, which combine to influence that level, and a central bank, working as it does purely in the monetary sphere, cannot be expected to have complete control, though it may well have a measure of influence.

Still further:

> It is manifest, however, that the regulation of the volume of credit is an important factor in influencing the level of economic activity and therefore of prices, and this is one of the cardinal tasks of a central bank.

That is the position, Mr. Speaker, that we in this corner of the house have taken for some years. We were laughed at by members of the older parties even though we quoted as our authorities some of the best economists and some of the most experienced bankers in the old land. Only this session someone ridiculed us suggesting that we should confine ourselves to practical matters. But we regard it as a full vindication of our position that the Macmillan report has frankly recognized the influence on the price level of the control of currency and credit.

I am rather sorry, however, that the Macmillan report and the Minister of Finance, following that report, have not gone so far as to advocate the assumption by the central authority of greater powers. There is one little sentence which I omitted from the excerpts which I have given from the Macmillan report:

> If it attempted to exercise any drastic control it would have to wield powers far beyond those which any body other than the sovereign authority would be entitled to exercise.

I submit, Mr. Speaker, that unless some body, either the newly appointed bank or the government, itself exercises what is here termed sovereign authority, we are not going to secure the full control of credit, and are not going to be able to control price levels. I think that nothing short of that is going to help us in a material way to solve our present difficulties.

We were told by the present government some years ago that the Finance Act was able to function in this country as a central bank, and that we did not really need a central bank in this country. I recall an amendment which I offered to the Finance Act which if passed would have had the effect of enabling our Finance Act to be of some real service. Possibly I might be permitted to read from that amending bill which I proposed:

> The minister may, subject to the approval of the governor in council, appoint a board of commissioners to exercise, under the supervision of the minister, the powers vested in the minister by this act, and without limiting the powers which are by this act so conferred the board may—
>
> (a) exercise the powers conferred upon the minister by section five of this act;

(b) buy and sell in the open market any or all of the securities set forth in paragraphs (a) to (e), both inclusive, of section five of this act, and may make all advances of dominion notes necessary for this purpose.

I may say that my bill was ruled out of order on the ground that it involved the expenditure of public money. Thus once again we were thwarted in our efforts to secure some improvement of the situation.

I concur with my hon. friend from Macleod in the idea that we should have some way of maintaining the stability of our exchanges. I hope that it may be possible to do this under the proposed bank, but I am very doubtful whether the bank as organized is likely to be in a position to act effectively.

There is only one other point in this connection that I should like to mention and that is in regard to government financing. For years some of us have thought that the government, if for no other reason, should have a central bank, in order to finance without having to resort to private institutions which always took a very heavy toll.

I regret indeed that the proposed legislation proposes to set up the bank as a privately-owned institution. The Minister of Finance has suggested that he is willing to consider seriously any amendments which may be brought forward by the committee on banking and commerce. I do hope that he will listen to amendments which would change the set-up of the bank and allow it to be a publicly-owned institution. I am quite confident that nothing less will satisfy the Canadian people, and that nothing short of that will enable the bank to function as it should.

I should like also to object to the control as proposed. It is all very well to have the government make the initial appointments, but after that it would seem that the management is to be self-perpetuating, with a certain safeguard, perhaps, that they have to be acceptable to the government. It does seem to me that there should be a closer connection between the proposed bank and the government, and, I do not hesitate to say, a greater control by the government than may be possible under the proposed arrangement.

As I listened to the Minister of Finance it occurred to me that his statement with regard to the fear of political influence was one of the worst indictments of our democratic institutions that could possibly be put forward. Government is so corrupt to-day that we must forsooth set up another body, outside of government, that will not be influenced by government. If that is the case we might as well throw up our hands. Surely the people ought to be sovereign; surely in the long run the people must be depended upon to control the situation. As it is, we set up a body that is virtually independent and will be composed of people who undoubtedly have their own interests at heart. The further arrangement regarding shareholders means that it is the wealthy people who will still be in charge. In this legislation we are doing nothing to take the control from the hands of the financial interests and put it under the power of this parliament.

I note too the minister tells us that the privileges of the chartered banks, under the new arrangements, will be similar to those now enjoyed under the Finance Act. There again, it seems to me, we are perpetuating a system that is inherently evil. I think it was my hon. friend from Battle River (Mr. Spencer) who two years ago introduced an amendment under which the municipalities and the provinces would have the same rights under the Finance Act that the banks now have.

Mr. SPENCER: The provinces only.

Mr. WOODSWORTH: I stand corrected. I myself would have gone further and said that not only the provinces but the municipalities as well should have those rights. That amendment was rejected by the government. Apparently there is no provision in the proposed legislation to cover that point. Under the Finance Act, as it has existed in the past, loans may be made on certain securities, in practice at 3 per cent, and the provinces and municipalities may then be charged say 6 per cent. The assessment of values of securities is left in the hands of the trustees of the gold reserve, three banks. If these privileges are to be continued I submit that there is little hope that under the proposed arrangements there will be any great improvement.

I shall suspend further criticism until the details of the legislation are brought down, but I would suggest again that the government would be well advised if it permitted certain amendments which would give to the people of the country greater and more direct control in the management of the new institution, and would make it essentially a publicly-owned utility.

Right Hon. R. B. BENNETT (Prime Minister): I would make one observation only, consequent upon the remarks of the leader of the opposition (Mr. Mackenzie King). There is no great interest as to who at a particular time suggested that there should be a central bank, but I think it might be well to remember that when the Genoa conference was held in 1922 a recommendation for a central bank was passed and this country

was represented at that conference by one who had the approval of the then government. I have always been wondering just why, when the Bank Act was revised in 1923, no provision was made for a central bank. That is what I desire to say, and I say frankly that hon. gentlemen who sit opposite and to the right did three years ago argue for a central bank. I think it would have been a little better this afternoon if they had said that it would be quite impossible to create a central bank in this country without revising the Bank Act, and as the Bank Act was for a period of ten years, to have undertaken at the end of seven years to withdraw or to lessen the privileges which parliament had conferred for ten years, to create a central bank at the end of the seven year period, would have brought about great difficulties. I think there is no doubt in the mind of any hon. member that that is so.

Mr. WOODSWORTH: Does the Prime Minister really suggest that there can be no revision of the Bank Act within the ten year period?

Mr. BENNETT: He certainly does not, Mr. Speaker. But he does desire to assure the hon. gentleman from Winnipeg North Centre (Mr. Woodsworth) that when privileges are granted for a period of ten years the abrogation of those privileges before the end of the period cannot take place unless something in reason is substituted for them.

Now the essential feature of our banking legislation has been that we have conferred certain privileges upon organizations or corporate entities that came into being by the exercise of their powers by parliament. That is, parliament has said that a given number of individuals who will subscribe a given amount of capital shall thereby become organized, not as a trading corporation but as an entity called a bank, with a proper name; and amongst the privileges which we have conferred upon the banks heretofore in the last fifty years was the privilege of issuing paper money. That is, during the period of ten years, from 1923 until 1933, and by appropriate legislation in 1933 until the first of July, 1934, the chartered banks, created by statute of this parliament, had conferred upon them a privilege—the privilege of issuing paper money to the extent of their paid-up capital. And I think it will be common ground with us all that to have deprived the banks of that privilege within the ten years would have been an improper exercise of the powers of parliament. I merely mention that, because I am not going to discuss the various features of the legislation, which have been so fully explained to the house by the Minister of Finance. I merely wish to indicate that as long ago as 1923 this parliament was aware of the fact that the nations of the world had met together at Genoa and had declared that a central bank was desirable for all countries that did not possess one. The present president of the Bank of Montreal was one of the delegates who attended that gathering, and for good reasons the government of the day, when amending the Bank Act, did not make any provision for the establishment of a central bank.

I do not know that any very great purpose is served by wandering around to ascertain who was the putative father of this particular idea in days gone by. It might be sufficient for our purposes to say that this government at the present time is assuming paternity for the measure introduced by the Minister of Finance. That perhaps covers the situation sufficiently for our purposes, and there is no necessity of making further observations with respect thereto. I do not think any useful purpose will be served at this stage by traversing the various observations made by the hon. gentleman who has just resumed his seat (Mr. Woodsworth), nor by traversing the various matters referred to by the leader of the official opposition. All that need be said is that by passing the resolution now standing in the name of the Minister of Finance we are not approving of the details of the measure, for the house is not yet possessed of a knowledge of those details. We are merely pronouncing in favour of a central bank, and when the measure has been introduced and the bill given the first reading the house will have an opportunity to consider later the extent to which it approves of the details as they appear in the measure.

On the other hand it will go to the committee on banking and commerce where I am sure, if it follows the course that similar measures have done in days gone by, it will meet, at the hands of those who sit opposite and to the right, with that warm reception that characterizes all measures that emanate from any government. That their ideas with respect to finance are sometimes extreme is well known, but that many of the suggestions they have made from time to time with respect to credit, banking facilities and so forth are generally recognized as having some merit is but a very commonplace statement to make. One could not expect that every possible suggestion that has ever appeared in any part of the world would all be wrong. I am sure that is the attitude of mind with which the hon. member for Wetaskiwin (Mr. Irvine), for instance, views this matter. There

are some thirty-six central banks in the world. Six of them are owned by their nations; the others are not. The six are Bulgaria, Finland, Russia, Latvia, Sweden and Australia.

The hon. member for Macleod (Mr. Coote), with his usual passion for accuracy, is not quite right with respect to the Commonwealth Bank. In 1928 its profits were in part capitalized, the capital being made £4,000,000. The reserve taken out of profits was £303,000 and the savings bank branch had approximately £1,075,000 allotted for its capital. The earnings of that bank have been very large. The Commonwealth Bank of Australia has earned more than £8,000,000 in profits and it has discharged a great and useful function. At the appropriate time one could point out the distinction between Australia and this country with respect to the matters to which the hon. member for MacLeod referred. No good purpose, however, can be served by making a statement so extreme as that made by the hon. gentleman because our country has not seen fit to inflate as he has suggested. To indicate that the loss has been a billion dollars or that any such sum as that has been lost because we have not departed from sound finance in this dominion is something that, I think, will not bear even casual investigation, he having entirely overlooked our geographical position. I had occasion in another place to refer to some of the realities of life and one of them in Canada is that we are on the northern half of the North American continent; that we have a population of 10,500,000 while to the south of us we have a country with a population of more than 120,000,000, and that we are a debtor country. If one remembers just those three facts, that situation, I think, differentiates conditions in the Dominion of Canada from those in the Commonwealth of Australia. The statements that have been made will not bear examination of the most casual type, and I do not think any good purpose is served by making such extreme statements with respect to these matters.

I can only say that in adopting the recommendations contained in the Macmillan report with respect to capitalization and following the practice pursued in regard to thirty of the thirty-six central banks of the world, we believe the step taken, the provisions made, will best afford the Canadian people safety and security; that the credit to which the hon. member for Winnipeg North Centre (Mr. Woodsworth) very properly referred, will be more amply provided for the people of this country than it would be if it were subject to the capricious action of any political party and that, as was said the other day in the editorial utterances of a great western paper, it is highly desirable in the interests of Canada that we should make it abundantly clear that whatever group may be in power, with the establishment of a central bank, it is imperative that we surround it with such safeguards as will make it impossible that the credit facilities of this dominion shall be available for other than wholly legitimate purposes.

I know better perhaps than some, not as well perhaps as others in the house, how great are the expectations that have been held out to the people in some parts of the country as to what would result from the establishment of a central bank. That sort of thing is very injurious because the functions of a central bank, even were it to exercise the widest possible authority and to have conferred upon it the greatest possible jurisdiction to deal with monetary matters, are such that in the very nature of things it cannot confer upon the Canadian people the benefits that some of my hon. friends opposite and to the right have at times suggested—perhaps not the hon. gentlemen themselves so much as some of their supporters, for when I read the papers occasionally as I have to do when I get a moment's leisure, I am appalled at some of the speeches that are made as to what a central bank is to be. No longer were we to worship the golden calf, because that was a matter that was as antiquated as are the days of Aaron, but a new day was to come and this central bank was so to dispense credit that all who needed money had but to apply and all who sought the wherewithal to discharge their obligations had but to seek and they would find. That is not the function of a central bank and unfortunately in a world of realities we have to deal with this situation in a manner that I believe, in every sense, will make the central bank an instrument for the advancement of this country. With the aid of the chartered banks, for they must play a very important part in making a central bank a success, I believe firmly and earnestly it will serve a useful purpose. There are those who sometimes suggest that it is in opposition to the chartered banks it is to appear. That is not so. The central bank cannot accept deposits for interest. It will be the repository of the reserves of the chartered banks. In the very nature of things it will discharge the functions of the financial or fiscal agent of the Dominion of Canada; it will be the note issuing authority of the dominion; it will create and issue legal tender; it will determine the extent to which rediscount shall take place; it will determine the

rediscount rate from time to time. If at moments there is the thought that the creation of this institution is intended to destroy the chartered banks of Canada, that is an erroneous view, for the chartered banks will still be the depository of the savings of the people and the central bank is not intended to transact that class of business.

May I point out that in Australia the chartered banks not only flourish, but flourish greatly with a central bank. I suppose most hon. members have from time to time looked at the rates of dividend, for instance, that the chartered banks of Australia pay, and they have reason to do so. The figures I have which are for 1931—the latest year book is I believe in the possession of an hon. gentleman opposite—are 14 per cent; 12½ per cent; 10 per cent; eight per cent; 10 per cent; four per cent for the preference and 15 per cent for the ordinary shares. These are the rates of dividends for the banks that exist in the Commonwealth of Australia. I mention that because there should be no misunderstanding that the true function of a central bank is to coordinate the activities of the chartered banks with its own activities for the purpose of promoting the welfare of the country as a whole. What the hon. gentleman who has just resumed his seat said with respect to credit is perfectly true within limitations. No one in this chamber, I take it, would suggest that a chartered bank should lend money to everyone who applies for it. What right has the custodian of the deposits of the people to lend where he knows the money will not be repaid? Could anything be more cruel than to do that, for it means in the end the destruction of the bank itself. So with the central bank. It will in the very nature of things release credit, control credit under certain circumstances, create facilities for rediscounting, and fix the rates, transact the exchange business between this country and the other nations of the world, deal with our international financial and monetary relations, if necessary through the bank for International Settlements and otherwise, so that in every sense of the word the true relationship between this country and other countries with respect to monetary matters may be established through the operations and activities of this central financial authority. The large powers conferred upon the bank by the statute presently to be introduced I think will be found ample for every purpose; and as the minister has indicated, to the extent to which this house in committee, that committee representing every section of Canada, concludes that amendments to be made there will enable this bank properly to discharge the functions of a central banking authority, such amendments will be welcome.

I am glad to feel that—apart from questions of paternity—we are a unit in desiring that this measure should be as nearly perfect as our united wisdom can make it. Approaching it with real, bona fide differences of opinion with respect to some features of the measure—I respect the opinions of hon. gentlemen who say its capital stock should be the property of the people and nobody else—I feel perfectly certain that those of us who hold another view will at least have our opinions respected. But no one who sat in this house during the last few years could fail to be impressed with one fact, that is that the wit of man has not yet been able to devise a suitable authority by which the real shareholders of publicly owned enterprises can take their directors, as can the shareholders of a private enterprise at their annual meeting, and examine them and ascertain from them every detail connected with the administration of the business. We know in connection with our railway that we have set up year after year a committee and that sometimes the proceedings in that committee have degenerated into an effort to expose this, or to vindicate that. Very seldom can it be said that any committee thus constituted can be compared to a meeting of shareholders where a man gets up and asks: What about so and so? And the directors have to reply, and if need be, produce the books of the company for that purpose. Some years ago a rather distinguished citizen of Montreal, who had a few shares in the chartered banks, used to attend the annual meetings one after the other of those banks and some will recall the character of the questions he asked and insisted on having answered, as was his right as a shareholder. We have not yet been able to devise, either in this parliament or elsewhere, any institution that takes the place of the annual meeting of shareholders that subjects the operations of the directors to the scrutiny and their conduct to the criticism that is possible at an annual meeting of shareholders with the directors elected for the purpose of giving effect to their wishes in connection with their enterprise. That is one of the reasons why in this bill provision has been made for what is called private ownership. But the limitation upon dividends—and that too might be reviewed by the committee—ensures that the major part of the profits earned by this bank go to the treasury of the Dominion of Canada. The people are ensuring the success of their enterprise by the method best known

to them, and making provision to secure the largest profits to relieve the taxpayer of his burdens. That is, all the profits resulting from the operations of this bank, with the exception of the dividend upon the $5,000,000 capital. Mark you, the taxpayer would have to pay interest if the money were borrowed on the open market, but by the proposed plan it is the shareholder, instead of the taxpayer buying the bonds upon which the interest is paid. It may be the rate would be slightly less in one case than the other, but the interest on the capital would in any event have to be paid. In that connection may I remind my hon. friends that the Commonwealth Bank of Australia in its early years was operated at a loss, until its expanding powers enabled it to cope with the situation and make not only profits but build up a reserve which was capitalized in 1924 as I have indicated.

So in taking the steps we have in carrying out the majority opinion of the Macmillan commission I do submit that it was not done merely because it was their opinion, but because the experience of business men throughout the world has been that we have not yet been able to devise any legislative action, any scheme whereby those who are responsible for the conduct of business when publicly owned are subject to the scrutiny and criticism that falls upon the directors of private enterprises at the hands of the shareholders. That is one of the great reasons that has influenced your government in arriving at the conclusions that are expressed in the bill.

I had not intended to deal with so many of these matters as I have. I only trust that the assurance given by the Minister of Finance may be taken to heart by every hon. member of the house and that an earnest effort be made to place upon the statute books, by the collective wisdom of all groups in the house and every individual who has a constructive suggestion to make, a measure that will create for us the Bank of Canada, which will discharge its functions as well as, if not better than, any central bank established in any country of the world.

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

Mr. MACKENZIE (Vancouver): I think the Minister of Finance indicated in his address that the gold reserves of the treasury would be taken over by the central bank and that the profit would go to the dominion government. Has he any computation of what that profit will be?

Mr. RHODES: No, it is not possible to make that computation. When the bill is brought down we will see that provision is made for a computation.

Mr. COOTE: May I ask the minister whether the central bank will take over the gold held by the chartered banks, if so, at what price?

Mr. RHODES: It is proposed that the gold which is taken over shall be gold which is applicable to their business in Canada. It is not proposed to deal with the gold which is earmarked as a reserve against the liabilities of the bank outside of Canada in the same manner as the gold which is held as a reserve for business in Canada.

Mr. COOTE: Am I to understand from that answer that part of the gold held by the banks in Canada is earmarked for business outside of Canada?

Mr. RHODES: Yes, it is, and has been for a very considerable length of time.

Mr. IRVINE: I should like to ask the minister a question having to do with the control of the bank. Supposing the central bank was endeavouring to regulate the control of credit in Canada, and supposing the policy it adopted in order to do so was contrary to the policy of the government of the day, and they clashed, which authority would make the decision?

Mr. RHODES: Unquestionably the authority of the governor and the board of directors of the bank would prevail.

Mr. YOUNG: Now give us an example of that; we do not understand what you have in mind.

Mr. IRVINE: If my hon. friend expects me to give him an example I should be very glad to do so, but I should like to take a week in order to make sure that he understood it.

Mr. YOUNG: Then will the hon. gentleman come back in a week with an example?

Mr. SPENCER: I think in outlining the set up of the bank the minister said there would be seven directors. I should like to ask how these directors are to be appointed. I know they are to be appointed by the governor in council, but is it suggested that they should come from different parts of Canada or that they should represent different callings, or has the government anything in mind with regard to their qualifications?

Mr. RHODES: The directors are to be selected in the first instance by the governor in council and they will retire in rotation in order to make for continuity of policy. As

and when they retire their places will be filled by the shareholders, but the bill will provide, as well as can be provided in a statute of this character, that they shall be selected in such manner as to make them representative of the different interests in the country.

Mr. McINTOSH: If the opinion of the governor and the directors of the bank prevails in any difficulty that may be up for solution, then what about responsible government in Canada? Where would that be?

Mr. RHODES: Well, Mr. Chairman, the authority and power of parliament is always supreme, and it is none the less supreme because of the fact that parliament, in its wisdom, may delegate a portion of its authority in this instance, as it has done in numerous other instances.

Mr. MACKENZIE (Vancouver): The minister has stated that no employees or officials of the chartered banks will be allowed to hold shares in the new bank. May I ask if that will apply also to the trust companies, some of which at the present time are more or less subsidiaries of certain banks?

Mr. RHODES: The act is worded as closely as it is possible to make it in order to prevent a bank from holding shares even indirectly, and I would assume in the instance to which my hon. friend refers that it would become a matter of interpretation as to whether that would be an indirect interest on the part of the banks. I can assure my hon. friend that when the bill is considered by the committee on banking and commerce the government will welcome any additional safeguards that can be provided in order to help carry out the intention expressed in the bill.

Mr. MACKENZIE KING: May I ask if there is any provision in the bill to the effect that the officers shall be Canadians?

Mr. RHODES: I think the term used is "British subjects." The bill provides that they must be British subjects, but it does not say they must be Canadians.

Mr. LAPOINTE: Why not "Canadian nationals"?

Mr. RHODES: Well, Mr. Chairman, that is a fair subject for debate, and it is a matter which can be discussed in the banking and commerce committee. I am merely advised that the practice which has been followed in numerous other acts in which limitations are imposed with regard to the nationality of those who shall compose certain bodies has been followed in this case, but that is a matter for discussion. Of course there are other limitations in addition to this matter of residence.

Mr. REID: I should like to ask the minister if the government will control the metal coverage and also define what precious metals will be used as coverage.

Mr. RHODES: I think the answer to that question is that the statute itself provides for the metal coverage, so the statute would control it and not the government.

Mr. SPENCER: May I ask if the Minister of Finance will hold a share in this bank, on behalf of the government?

Mr. RHODES: No. It is provided in the bill that if the stock is not completely taken up by the public the Minister of Finance may do so. There is also a provision that all proxies shall come through the Minister of Finance.

Mr. LAPOINTE: Are members of parliament excluded?

Mr. RHODES: No.

Mr. COOTE: Is the Minister of Finance to be a member of the board?

Mr. RHODES: No.

Mr. MacLEAN: If I understood him correctly the minister said that the issuing of these bills would be gradually taken over by the central bank. How will that be done? I understand that at present the advertising from the bills is quite a factor to the banks, and that if they lose the right to issue bills they will lose the benefit of this advertising.

Mr. RHODES: The bill provides that beginning January 1, 1936, there must be a reduction of 5 per cent in the bills issued by the banks. That reduction continues for a period of five years, and then for a further period of five years the reduction is 10 per cent annually, so that at the end of ten years there will remain only 25 per cent of the total issues by the banks. Then when we come to another decennial revision of the Bank Act we will see what action is advisable in that respect, but certainly the notes of the banks will disappear in the proportion I have mentioned, so that at the end of ten years all the bills, with the exception of 25 per cent, will be those of the Bank of Canada.

Mr. YOUNG: The minister spoke of the right given the chartered banks to issue notes. Do they pay any interest to the government on their note issue or any part of it?

Mr. RHODES: Yes; they pay, and have paid for a number of years, a tax of one per cent on their circulation.

Mr. YOUNG: On their total circulation?

Mr. RHODES: Yes, that is to say, they pay that tax on their regular circulation. Of course there is provision for the additional issue of 15 per cent of their circulation for a certain period, on which they pay a much higher rate.

Mr. MACKENZIE KING: In one of his addresses the Prime Minister intimated that the government's intention to establish a central bank was partly the outcome of a resolution passed at the world economic conference approving one of the resolutions of the monetary and financial commission. I believe that this resolution states that among other purposes the central bank is necessary in order to provide an international gold standard, with the necessary mechanism for its satisfactory working. Would the Minister of Finance be kind enough to indicate whether or not there is a provision in this bill for that purpose and, if so, the nature of the provision?

Mr. RHODES: Yes; I think the bill as drafted is amply wide to take care of all international transactions, including gold. I pointed out that the standard of the bank will be a gold bullion standard, but at the same time the bank may buy and sell gold coins.

Mr. HANBURY: Before this resolution is reported may I say that as I understand it, private ownership is service for a profit. Under this measure I understand the profit is going to be limited and it is a question in my mind whether it would be in the interests of efficient operation of a central bank to give permission to make some small return over and above what has been provided, so that we will at all times be assured of efforts to increase efficiency.

Mr. RHODES: Mr. Chairman, the profiit above the fixed amount for which there is provision in the bill, namely of six per cent, goes to the consolidated revenue fund. We have endeavoured on the one hand to provide a fair return for the capital which is supplied from private sources but on the other hand have tried to eliminate the urge to make profits, as profits.

Mr. BENNETT: There is no limitation upon the profits, but there is upon the dividends.

Mr. HANBURY: That is the point I have in mind. The time may arrive when a profit has not been earned. If we have a private bank striving to earn profits, but is not successful in that effort, it may be that the service would become less efficient. That is the point I am bringing to the attention of the minister, namely as to whether or not we should not maintain some basis of profit so that we may continue at all times to increase efficiency and the desire for greater profit.

Mr. BOWMAN: Are the dividends to be guaranteed by the government?

Mr. RHODES: No, they are not. As a matter of fact, if the bank does not earn six per cent there will be no dividends paid.

Mr. BOWMAN: They will be cumulative?

Mr. RHODES: Yes, they are cumulative.

Mr. MACKENZIE KING: The minister has stated that the provisions in the main are based on the findings of the royal commission. Could the minister indicate whether or not the bill departs in any particular from the findings of the commission?

Mr. RHODES: There may be some details, but in its broad features I think it is fair to say that we have followed the recommendations of the Macmillan commission. I have in mind one instance, for example, where the commission recommend that the reserves of the bank should be twenty-five per cent in gold and foreign exchange. We have provided that it must be twenty-five per cent in gold, and that any foreign exchange must be over and above the twenty-five per cent, which means that we have gone even farther than was recommended by the commission.

Then, of course there are other recommendations. For instance, one major recommendation made by the commission was that the central bank should take over and manage the public debt of Canada. We did not see fit to recommend in this bill that that feature should be mandatory. But, in the main we have followed the broad general recommendations of the commission, departing perhaps here and there in detail.

Mr. MACKENZIE KING: The wording of the resolution has prompted my question. It might be construed as meaning that all the provisions of the bill are as recommended by the royal commission. But I am quite satisfied with the minister's reply to the effect that there are some provisions which are not in accordance with the recommendations of the commission, and differ from them. I assume that when the bill comes before the committee and there is consideration of any of the provisions the minister has mentioned, a suggestion which may run counter to the recommendations of the commission will not be ruled out because it is a counter recommendation.

Mr. RHODES: I believe the statement I made at an earlier stage, when moving the house into committee, will indicate that the government is prepared to deal sympathetically with any suggestion towards strengthening the bill, and which has in mind the main object of the bill, which may emanate in committee.

Mr. BENNETT: If the right hon. gentleman would look at the measure he will see that the limitation is not such as he indicated. It is not so indicated.

Mr. HANBURY: Is it the intention to charge income tax on the profits of the central bank?

Mr. RHODES: There is no reference in the bill itself to income tax, but certainly the dividends which go to individual shareholders will be subject to income tax.

Mr. HANBURY: You could not say with reference to the corporation itself?

Mr. RHODES: No, because that is the property of the treasury, and goes into the consolidated revenue fund.

Mr. YOUNG: The point is this: Does the income tax come off the gross profits before that payment is made to the revenue fund, or will it come off afterwards?

Mr. RHODES: I cannot see that it makes the slightest difference whether it is gross or net. All the shareholders can get is six per cent, and that is all in which he is interested. That six per cent will be subject to income tax.

Mr. YOUNG: Can he get six per cent?

Mr. RHODES: If it is earned; but he must render an account of that six per cent in making out his income tax report, as a portion of his income.

Mr. YOUNG: That is not the point. Here is a corporation which will earn certain profits. All profits over six per cent will go to the government. That corporation will be taxable for its profits.

Mr. BENNETT: No, it is not.

Mr. YOUNG: Will the six per cent left with the corporation for dividend purposes be taxed as income tax against the corporation?

Mr. RHODES: No, there will be no tax against the corporation whatever.

Mr. BOYES: May I ask the minister if the double liability clause which applies to shareholders of chartered banks will apply to shareholders of the central bank?

Mr. RHODES: No.

Mr. SPENCER: I should like to ask whether there will be any maximum with regard to salaries of the officials?

Mr. RHODES: The only limitation imposed in the measure as at present drafted is a maximum amount which will be available as fees for directors. There is a further provision in the bill that the salaries payable to the governor, the deputy governor, and the assistant deputy governor shall in the first instance and thereafter be subject to the approval of the governor in council.

Mr. MACKENZIE KING: Does the minister present a report to parliament and is the report subject to review at each session?

Mr. BENNETT: No, not subject to review; we make a report but it is not subject to review.

Mr. MACKENZIE KING: But, as a basis for discussion in the house?

Mr. BENNETT: Yes, it could be discussed.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 19, to incorporate the Bank of Canada.

Motion agreed to and bill read the first time.

Mr. MACKENZIE KING: May I ask if copies of the bill in English and French are already available for distribution?

Mr. RHODES: Yes, I will send a copy over to my right hon. friend.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved the second reading of Bill No. 8, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS BY RESOLUTION OF PARLIAMENT

Hon. R. J. MANION (Minister of Railways and Canals) moved the second reading of Bill No. 17 respecting the appointment of auditors for national railways.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): When this measure was introduced I asked the Minister of Railways to give an explanation, and my recollection of that explanation is that the minister said it was to appoint auditors as provided by the Railways act of last session. Looking however at the bill which has been presented, it appears to be a bill to amend the act of last session and to have the auditors appointed by act of parliament rather than by resolution of the House of Commons. That is hardly in accordance with the explanation given by the minister.

Mr. MANION: As a matter of fact, the leader of the opposition is correct in using the word resolution. On looking into the matter however we find that we could not do it by resolution of parliament. If it is done by parliament, which comprises the King, the Senate and the House of Commons, it must be done by statute. I fancy that there was rather a slip-up last year in this respect. My impression was that it was by resolution of the House of Commons, but unfortunately we made it "resolution of parliament," and I am advised by the legal officers, both of my own department and of the Department of Justice, that the way proposed is the only way of carrying it out.

Mr. MACKENZIE KING: It may be irregular to be debating the measure on the second reading. Perhaps I may be pardoned however, if I say a further word, in view of the explanation given at the outset and the change in the significance of the measure in what is now proposed. My own feeling would be that the intention originally was to have the auditors appointed by resolution of the House of Commons. I believe it would be better to provide in the measure for resolution by the Commons and to proceed along that line rather than to appoint the auditors by act of parliament. There is one other fact I would mention, and that is that the essence of the appointment will lie in the names of the persons to be appointed, and the bill as presented leaves that blank.

Mr. MANION: I will tell the right hon. gentleman who they are.

Mr. MACKENZIE KING: Before agreeing to the second reading of the bill, if we are doing more than agreeing to the appointment of officers, the house ought to know the names. Would not the minister consider the suggestion I have just made of having the auditors appointed by resolution of the House of Commons? I will be perfectly frank as to what I have in mind. The House of Commons is the body that primarily has control over money matters. It has always been of special concern to the House of Commons to deal with all problems of finance, and we ought not to be asked to share that power with another branch of parliament. If there were appointed auditors whom the House of Commons might wish at any time to change, this house should be free to make that change without having to obtain the consent of the Senate.

Mr. MANION: If my right hon. friend will allow the bill to go into committee we can discuss that point afterwards. I have not given any thought to the suggestion he has made, though I do not see any objection to the matter standing as it is, because the appointment is only for one year in any event. The provision adopted last year was that a continuous audit of the accounts of the national railways should be made by independent auditors appointed annually, and so forth. So that it will have to come up next year, though that would not be necessary if the intention were to leave the same auditors; and inasmuch as we intend to appoint the auditors who have been there for a good many years I do not think the house will object.

Mr. PETER McGIBBON (Muskoka-Ontario): I voice my objection to the last statement of the minister. I do not think that one firm of auditors should be continuously auditing the accounts. It might be all right for three or four years, but I think there should be a change every three or four years, in the interests both of the railways and of this parliament. I am glad to note the minister's statement that it is only for one year, because otherwise I should be very much disappointed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Gobeil in the chair.

Section 1—Auditors appointed.

Mr. MACKENZIE KING: Will the minister explain?

Mr. MANION: We intend to appoint, for this year at any rate, the same auditors who have been carrying on for many years, George A. Touche and Company of the city of Toronto, chartered accountants. In reply to my hon. friend from Muskoka-Ontario, there is no reason why these auditors need necessarily remain longer than one year; the provision which I have just cited states that the auditors shall be appointed annually. I said that if we did not desire next year to change

the auditors there would be no need to re-appoint them; in other words, they would carry on until their successors were appointed. But that is a matter for discussion next year. It has been decided, after a good deal of consideration, that the auditors who have been doing the work for a good many years—I do not know exactly how long, but eight or ten years at any rate—are so well trained in the work and are so capable that it would be wise to appoint them at least for this year. I am informed by the railway people themselves that it would take quite a long time for any group of auditors to learn the method of auditing such an immense system of books and accounts as are contained in this vast business. For example, I am told that there are no other chartered accountants in Canada who are familiar with the Interstate commerce commission's type of accounting and the accounting of the Canadian National Railways is carried on under the same rules as those of the Interstate Commerce commission for the railways of the United States. If it be true, as I am informed, that there are no other companies of chartered accountants in Canada who are familiar with that type of auditing, it would probably take many months for a new company to assume charge of the auditing and become familiar with it. Therefore, after a good deal of consideration, we felt that it would be wise, at any rate for this year, to appoint George A. Touche and Company, and I intend to move that the name "George A. Touche and Company, chartered accountants of the city of Toronto" be inserted in section one of this bill.

Mr. SPENCER: For how many years have the same auditors been engaged?

Mr. MANION: I believe for eight or ten; they have been doing that work for many years anyway.

Mr. STEWART (Edmonton): Was the minister advised by the law officers as to the necessity for making this appointment by statute rather than by resolution which would confine it to the House of Commons?

Mr. MANION: I was so advised.

Mr. BENNETT: In the main act the resolution is a "resolution of parliament" and a resolution of parliament does not mean a resolution of the House of Commons; that is all. Parliament means the Commons, the Senate and the Sovereign. The only way to meet that condition was to pass a statute or else amend the main act and provide that the resolution should be one of the House of Commons. Rather than amend that act, we are following the course the act indicates—passing a resolution of parliament.

Mr. STEWART (Edmonton): It seems to me that this is making appointments in connection with the operation of the Canadian National Railways very difficult to change. It is all right to say that they can be changed by statute, but a statute requires the consent of both houses. This is a case in which the intention clearly was to leave the matter to the commons itself. If the main act did not make that provision, it appears, to me that it should have done so, because after all the House of Commons is the body that is responsible for the operation of the national railways.

Mr. BENNETT: Not any more than the Senate.

Mr. STEWART (Edmonton): My right hon. friend and I may differ in that regard.

Mr. BENNETT: There cannot be a difference of opinion.

Mr. STEWART (Edmonton): Yes, there can be a difference. There was considerable controversy in the passing of the act last year.

Mr. BENNETT: Not on this point.

Mr. STEWART (Edmonton): Not on this particular point because it did not arise, but it arises now and personally I want to protest.

Mr. GRAY: I do not have the act of last year before me, but it appears to me that once the name of George A. Touche and Company is inserted in this bill, they are made permanent auditors of the Canadian National Railways unless the act is repealed.

Mr. MANION: May I read the section to my hon. friend; it is section 13 of the act of last session. It reads:

> A continuous audit of the accounts of National railways shall be made by independent auditors appointed annually by a resolution of parliament and annually reporting to parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the national company such amounts as the governor in council shall from time to time approve.

The only way we could do this other than the way in which we are doing it would be by changing the act of last year, because it distinctly states, as the Prime Minister pointed out, that the appointment shall be made by a "resolution of parliament" and according to my information that can be done only by a statute of that kind. As the bill says that the appointment is to be made annually, this

parliament can change the auditors next year and there is certainly nothing permanent about the appointment.

Mr. GRAY: I agree with the minister that we can change the auditors, but we shall have to do so each year by this particular legislation we are now placing on the statute books. This power is conferred by the act of 1933 and it is that act which the government should amend rather than introduce a separate measure. I ask the minister to consider the matter.

Mr. MANION: I simply reply that I have been informed by the legal officers of the crown that a resolution of parliament means a statute. The only way in which you can pass a resolution of parliament is by passing a statute. Therefore we are carrying out entirely the course laid down last year.

Mr. MACKENZIE KING: What the minister says is quite correct, that if there is to be a resolution of parliament, an act of parliament is what is signified, but I should imagine that in the original draft of the act the emphasis was intended to be placed on the word "resolution" and not on the word "parliament." The fact that the word "resolution" appears, would seem to indicate that what the law officers had in mind was a resolution of the House of Commons; otherwise they would have adopted the customary phraseology by the use of the word "act." I have no suggestion or comment to make as to the auditors; I know nothing about the firm mentioned except what is highly creditable in every way. A larger consideration and very important principle are involved, namely that on these matters which relate to financial operations and appointments of this character which are specially related thereto, the House of Commons should maintain its position of control and, in fact, a more or less exclusive control. I can understand wherein perhaps the minister may have some reluctance to bring the original act before parliament for purpose of amendment, as it might open up a discussion on the matter generally, but even if he is obliged to run that risk, it is much better to take the right course at the outset and preserve to this house the appointment of auditors by resolution of the commons alone, than to pass acts of parliament in connection with matters for which the House of Commons alone should be responsible.

Mr. BENNETT: Now that I think of the matter, I suggest that the provision was placed there with great deliberation; it was to remove the appointment of auditors from mere political control. The House of Commons is a political organization purely and simply. The Senate need not be and very often is not. In the days of Macdonald, it will be recalled, a very important bill of his was defeated by the Senate although he had a majority there. To say that the House of Commons with respect to the appointment of auditors is in a better position to select them than another body which, under our constitution, unless we desire to amend it, has equal powers regarding matters of this kind, is, in my judgment, a wholly erroneous view. I find the argument advanced difficult to follow. I believe a firm of auditors selected by the Senate, if I might mention that body here, would be probably a better selection than could be made by the commons and one more apt to be free from any political consideration or control. There is no question of politics in this appointment for the simple reason that this firm has been employed for several years; but the point made by the hon. member for Muskoka (Mr. McGibbon) and referred to incidentally by the hon. member for Battle River (Mr. Spencer) is, in my judgment, well taken. It will be recalled that in the Bank Act provision is made that auditors are to hold office for a limited time only and that other auditors have to be appointed as shareholders' auditors. The reason is obvious and I can only say that so far as the government is concerned, it will follow very closely what has been said by the hon. gentlemen, the only difficulty being this, that inasmuch as the auditors will be for the year 1934, continuity in audit might be lacking if the house did not meet until later than January by a whole month, because the appointment would have to be made at once by parliament for the year 1935. But as the matter stands, in order to remove any doubt such as that raised by the hon. member for West Lambton (Mr. Gray), I suggest that the minister add the words "for the year 1934," although this is not required, for the preamble is the power conferring provision and the section is the exercising of the power; as the power can be exercised only for an annual appointment, it follows that the appointment is for one year and one year only. But if the minister is satisfied that any of the members are in doubt about the matter, it can be removed by adding the words "for the year 1934."

But I think it is unfair that with respect to some matters there should be constant effort made to suggest that this house has a position superior to that of any other part of parliament. Parliament is a composite body, consisting of three elements, the crown, the senate and the commons. And as has been said so often, they must act in cooperation to effect

the passing of a statute. A resolution of parliament means a statute, so far as the general legal provisions are concerned; and to provide that auditors shall be selected by a joint resolution of the House of Commons and the Senate in the form of a statute does, I think, remove it from at least some difficulties that might at some time occur; they are not present at the moment, but they might. The very fact that these words were left in after so many revisions indicates to my mind that it was intended always that the selection should be made by joint action of the Senate and the House of Commons acting in their legislative capacity for the purpose of effecting the provisions of the statute.

Mr. MACKENZIE KING: Mr. Chairman, I cannot agree with the Prime Minister at all when he says it is unfair to assert a superior right on the part of the commons when it comes to dealing with money matters.

Mr. BENNETT: This is not a money matter.

Mr. MACKENZIE KING: My right hon. friend's assertion was a broad one of the superior right of this House of Commons in certain matters or any matters. There is no doubt in the world that the right of the commons is superior to the right of any other branch of parliament with respect to the control of public moneys and public expenditure.

Mr. BENNETT: Hear, hear; we are agreed on that.

Mr. MACKENZIE KING: I think it is part of the obligation of the commons to preserve that right as rigidly as is possible. As the Prime Minister says, the appointment of auditors is not on all fours with a financial measure, but the auditors are appointed to exercise supervision over the expenditures of the national railways, the largest expenditures that this country has to account for under any one particular service. And the analogy as a consequence is close enough to hold as to the special right of the commons in the matter.

Further I should like to draw attention to the fact that this House of Commons has already parted pretty well with its control over the railways. We are being told by no one oftener than the Prime Minister and the Minister of Railways that the financial difficulties in this country are accounted for more by the expenditure on the national railways than by anything else. In those circumstances it seems to me that there is every reason why the commons should keep its control over the expenditure of public moneys by the railways and over those who are to audit the expenditure of these particular public moneys.

The Prime Minister speaks about political control, and says that the object was to do away with political control. That observation is to some extent a reflection upon the commons itself. I can speak the more freely in that this measure proposes to leave the matter entirely in the hands of the present government, moreover, there is no pressure from the opposition and no criticism of the government's likelihood to deal in a partisan manner with the appointments they are making. What we are striving for is the maintenance of the broad principle that the government that is in power is responsible to the people for the expenditure of public moneys, and should keep in its control appointments which will have an important bearing on the whole matter of expenditure and taxation. That is a far-reaching and fundamental principle, and I think it should not be departed from. Each time a surrender is made it becomes more difficult to maintain the position. Last session when the bill was before the house the right of any change in the person of the president of the railway was taken away from the government of the day, and by an act of parliament matters were so arranged that another house, not the one elected by the people, would have to sanction any change of the person who was to hold the chief administrative office of the railway. I think that is getting very far away from the control by the people over their public utilities and over the expenditure of public moneys incidental thereto and wherever a situation of that kind arises the commons ought to assert its position very strongly by opposing it. I still hope the minister will not press the matter. If he does, I feel we ought to register our vote against it. We may be voted down, but, nevertheless, the matter involves a fundamental principle which I think ought to be preserved. I have no desire to divide the house on a measure of this kind, but from the way the minister spoke in introducing it, I feel that he himself was not too sure of what the intention of the provision was; the bill is simply intended to amend an act, but is doing so in a roundabout way. I wish the minister would consent to leave the matter over until he has had opportunity for its further consideration.

Mr. BELL (Hamilton): The Prime Minister has made a suggestion that seems calculated to remove any difficulty. Would it

not help us to get on with the consideration of this matter if the minister were asked what response he feels disposed to make to that?

Mr. MANION: Mr. Chairman, I am entirely agreeable to that, because as a matter of fact it leaves it exactly where it is, except that it makes it more definite. The Prime Minister is apparently anxious, as I am, that everyone should feel that the matter is being dealt with in a way that is absolutely above board, as is the case. I am quite agreeable to inserting after the word "auditors"—I presume that is where it would be—"for the year 1934," which would make it definitely and distinctly an appointment for this year, until we reappoint them or appoint someone else next year.

I could more easily understand the position taken by the right hon. leader of the opposition if we were changing the auditors, but as a matter of fact the auditors, for whom I have a great deal of respect, were there when we came into power and had been for some years previously; they have had very wide experience, I have personally discussed with them their experience and have come to the conclusion that they are a splendid group of auditors. For those reasons I think we are on such solid ground in reappointing them that I do not feel like withdrawing from the position except to add at the suggestion of the Prime Minister the words "for the year 1934" which definitely and distinctly makes the appointment for one year. The matter should probably have been discussed last year if there was any objection, because the words are distinct enough—I was merely speaking from my own memory when I spoke first—the words are so distinct that had we gone into it it would either have been decided to leave it as it is, which is exactly what we are doing, carrying out the act of last year, or if we had wanted to leave it entirely to the House of Commons we should have changed it. But I repeat, I am advised by the legal advisers of the crown that what it means is that we should pass a statute. I do not wish to prolong the discussion, but I do not see any reason for withdrawing it at the present time. I should like to have it carried. And I feel that my hon. friends should have no real objection, particularly in view of the fact that I think these are the auditors whom they themselves appointed.

Mr. STEWART (Edmonton): Mr. Chairman, that is not the point that we are arguing. We are not objecting to the individuals who are being appointed, but we are pointing out again that this is a departure from an important principle. True it was done last year, done against our protest, interjecting the Senate into the control of the expenditure of this money. That is the objection we take. We believe that inasmuch as the House of Commons has full and complete control over expenditure and over the revenues of the country without interference by the Senate, it was a mistake to interject the Senate into the matter of the administration of the railway at all. While this present item is perhaps not very important, yet we do desire to register our protest again against anything that in any way brings the Senate into even seeming control of the public expenditure.

Mr. BENNETT: I am sure the hon. gentleman has overlooked one fact. The reason this provision is here I take it is that the Auditor General of Canada cannot be removed except on the joint address of both houses of parliament. There is the analogy. My memory is not sufficiently good as to what the causes were that brought about the present legislation, but it must be within the memory of every hon. member in this chamber that the Auditor General cannot be removed from office except on the joint address of both houses of parliament. These auditors are to be appointed by a resolution of parliament, which is the converse of the provision that the Auditor General can be removed only by a joint address of both houses of parliament. So now the auditors of this system are appointed by what amounts to a joint address of both houses of parliament, though a joint address would be an improper method of procedure; it is the resolution of parliament mentioned in the act, which of course means a statute.

It would serve no useful purpose to enter into a discussion as to why joint addresses of both houses of parliament are necessary to bring about certain results, but the question of expenditure as distinguished from the auditing of expenditure is so well known as to not require very much discussion. This is the house in which money bills originate, yet every day the Senate deals with legislation touching on public expenditures, and I suppose it will continue to do so as long as it exists. There is no bill which leaves this chamber which is not passed upon by the Senate. It has been said that it is not competent for the Senate to amend a supply bill. There was a difference of opinion as to that; one eminent authority said the Senate had that power. I have always accepted the view that there was no power in the Senate to amend a supply bill or any bill of that character.

It will be recalled that it was in connection with a subsidy bill that the Senate asserted

its authority and destroyed the bill after it had passed the commons, in the days of the late Sir John A. Macdonald. It will be recalled also that after a subsidy bill had passed this commons handing over the Yukon to a well known firm for exploitation the Senate destroyed that legislation. The Senate has exercised this power and in many cases—in fact in most cases, I think—its position has been vindicated. For instance, it was an investigation carried on by the Senate in connection with the expenditures under subsidies granted to a railway that brought about the downfall of the Mercier administration in Quebec, and the Senate has always passed upon legislation enacted by this chamber, though it must take the risk of its own life if it destroys a supply bill, for example. I have given two instances of money bills being destroyed by the Senate, and the third case to which I have referred had to do with the expenditure of public money under a subsidy bill.

I do not think any good purpose would be served by going into the countless examples that might be referred to. To-night we are following the provisions of a statute passed last year, which necessitates the passing of a statute now to appoint for one year a firm of auditors, which firm held office when we came into power. Whether or not they should be appointed for longer than a year or whether or not there should be a change are matters which I am not going to prejudge, but I will say that in large public institutions such as our banks, parliament has accepted the principle that there should be a change of auditors from time to time.

Mr. MACKENZIE KING: With regard to the parallel drawn between the appointment of the Auditor General and the appointment of these auditors, I do not think it can be said that the cases are on all fours. The position of the Auditor General is made what it is with the view of preventing pressure by the administration of the day upon a public servant. The auditors appointed for this purpose would not be subject to the immediate control of the government to at all the same extent that an Auditor General, auditing the general accounts of the government, would be.

The point to be kept clearly to the fore is the right of control by the commons in all money matters. The Prime Minister says that we are not to have any political control. If he uses that word in any other than a very narrow sense, meaning partisan political control he is wholly misrepresenting the position of the commons. The members of the House of Commons are sent here for the purpose of exercising control in money matters and of exercising political control, using the word "political" in the sense of the control which, as members of parliament, they are sent here to exercise. I can see where, arising out of the difficulties of administration, there may be reason for doing away altogether with government owned or government controlled institutions, but so long as you have either —or if you have neither—you have still to preserve the right of the commons to control everything in relation to money matters where public expenditures are involved, if the commons is to perform its functions at all.

I do not wish to make a mountain out of a mole hill in a small measure of this kind. As to the bill itself, we have made it perfectly clear that we have no objection to the auditors that are being named, nor have we any objection to their being appointed for a year. We are seeking simply to preserve the principle of the right of the commons to exercise its control in money matters. And may I point out this further reason. It may become necessary to make a change in the auditors even while parliament is in session, and a resolution of the House of Commons can be much more speedily passed than an act of parliament. If, after all that has been said, the government wish to persist and are determined to put through the measure we will simply register our opposition to it. Beyond that I do not wish to press the matter.

Mr. MANION: I should like to say just one word to emphasize the position taken last year. The recommendation really was the recommendation of the Duff commission, whose recommendations we were carrying out. Section 208 of their report states:

> A continuous audit of the accounts of the system should be made by independent auditors appointed by parliament from a list or panel drawn up by the trustees—

You will perhaps remember, Mr. Chairman, that when we were discussing that point I took the attitude on behalf of the government, which was supported by the house, that it was not wise to have the trustees themselves suggest any auditors, because really the auditors would be checking the work of the trustees. So we left that out, but the suggestion that auditors should be appointed by parliament was made originally in the report of the Duff commission.

My right hon. friend will remember also that this bill was introduced not in this chamber but in the Senate, and was carried

through there. I happened to have a copy of Hansard on my desk, and while the discussion was going on I looked through the debate that took place last year. Though the discussion covered a couple of pages of Hansard the only objection made to the appointment by parliament came from the hon. member for West Edmonton, who took the attitude that this should be done by the governor in council. He did not object to the parliament end of it at all, but he thought we were taking out of the hands of the governor in council the right to appoint these auditors, and I presume that my right hon. friend would be better satisfied to have the auditors appointed in this present way. We are merely carrying out the suggestion of the Duff commission in this measure.

Mr. HANSON (Skeena): Who pays these auditors?

Mr. MANION: The railway.

Mr. HANSON (Skeena): How much are they paid a year?

Mr. MANION: I cannot answer that question, but I can give it when we are discussing other railway matters. I did not know this bill was coming up to-night, and there are some facts I have not at hand. The auditors are paid according to the amount of work they do. This is a huge job, and this firm have men scattered east and west from Montreal. I presume they are paid a pretty good sum, but it is in proportion to the work done.

Mr. DUPUIS: I should like to know from the Minister of Railways how he is going to amend section 1 in accordance with the suggestion of the Prime Minister.

Mr. MANION: I accepted the suggestion of the Prime Minister and put in the name of George A. Touche and Company, of Toronto and Montreal. They have offices in both cities, and I think that would be the proper way to describe them. Then the words "for the year 1934," are to be inserted after the word "auditor."

Mr. MANION: I move:

That the words "for the year 1934" be inserted after the word "auditors."

as well as putting in the name of George A. Touche and Company of Toronto and Montreal.

Mr. DUPUIS: A continuous audit means that they work yearly?

Mr. MANION: Yes.

[Mr. Manion.]

Mr. DUPUIS: On every occasion they are called?

Mr. MANION: Yes, that is right.

The CHAIRMAN (Mr. Gobeil): Shall the amendment carry?

Some hon. MEMBERS: On division.

Amendment agreed to on division.

Section agreed to on division.

Bill reported.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

Hon. H. A. STEWART (Minister of Public Works): Mr. Chairman, we will continue with item 113:

British Columbia—Essential undertakings—
Esquimalt—repairs and improvements to R.C.N. barracks and H.M.C. dockyard, $15,000.
Fraser, Skeena and Naas rivers—operation and maintenance of snagboats, $35,000.
Oona river—float, $3,700.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $75,000.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall the item carry?

Mr. NEILL: No.

Mr. STEWART (Leeds): Mr. Chairman, the hon. member for Gloucester (Mr. Veniot) was not in the house when an item respecting public works in New Brunswick in which he was interested was passed. I promised him that the first item brought up in the estimates would, so far as I was concerned, give him an opportunity to discuss the New Brunswick item. I suggest that we do that at this time.

Mr. VENIOT: Mr. Chairman, I wish to thank the Minister of Public Works for giving me this opportunity. A few nights ago when the item concerning New Brunswick came up for consideration I had retired earlier than usual for reasons which I believe are well known to the committee. I felt that a misunderstanding had arisen between the minister and myself as to when the item would come up.

Now that I have an opportunity of discussing it I should like to call the attention of the minister to a vote of $25,000 which passed last year for the extension of Shippigan wharf. The item was passed by the house, tenders were called for, some seven or eight of which were received. One tender was at a reasonable rate, being a few thousand dollars below the estimate of the engineers. After the

matter had been considered the work was cancelled. After I have completed my remarks I should like the minister if possible, and if I am not asking for something within the realm of confidential information, to give the reason why that important work was not carried on.

May I call the attention of the minister and the government as a whole to the situation at Shippigan. Up to 1931 the lower section of Gloucester county, where the harbour of Shippigan is situated, had sufficient accommodation for the purposes of fishing. We have some 250 or 300 vessels going through Shippigan harbour twice a week, to and from the fishing grounds, the fishermen leaving their homes on Monday and returning on Saturday. A number of the vessels unload at Shippigan and Lameque, which are five miles distant from each other.

Since the depression fishing has fallen off, so far as the markets are concerned, and in that section agriculture no longer holds the position it held previously. In order to provide themselves with a living the people in the parishes of Saumarez, Inkerman, Shippigan, Paquetville and part of the parish of Caraquet have gone into the pulpwood business. They have undertaken to cut pulpwood on their farms which in the past they had reserved, because in those days they did not need to cut wood to make a living. Today, owing to the depressed condition of trade they are compelled to go into those reserves and cut pulpwood. This pulpwood cannot be shipped by rail, because the cost is too heavy. Pulpwood shipped from that section of the country costs as high as $11 per cord for shipment by rail whereas by water it costs only from $3.50 to $3.75. In 1932 the first shipment of pulpwood was made from the harbour at Shippigan. It was represented at that time that the wharf was not in a condition to accommodate steamers loaded by the four-hatch system. They could load only the two-hatch system at that wharf, with the result that loading cost a great deal more than it would have had the proper accommodation been available. In 1933 we shipped 20,000 cords of pulpwood from that port, giving work to a large number of people in the parishes I have named. When it appeared in the estimates of last session of parliament that $25,000 had been voted, and that an extension would be made to the wharf so that the large steamers could load by the four-hatch system, those engaged in the purchasing of pulpwood tried to push the enterprise to an extent greater than they had done before, in order to give work to the people. When the contract for the work was not awarded the people who were in the business could not undertake to purchase quantities as large as they would have liked to and because of that the work has fallen off. The municipality, the provincial government of New Brunswick and the federal government have continued to give direct aid to a class of people who in the winter of 1932-33 were able to make their own living. What I wish to ask the government to do is to see that this contract will be let. The money has been voted. It is true that the vote will not expire until March 31, the end of the present fiscal year, and I trust that between now and then the government will see its way clear to come to the assistance of these people by seeing that the contract is let so that the work of construction can be carried on during the coming summer.

Let me say to the minister, if he believes the lumber cannot be got out this winter, that he need have no hesitation in awarding the contract on that ground. The lumber can be got out at any season of the year within fifteen miles of the place where the work is to be carried on, and at any season of the year it can be floated down the river to Shippigan harbour. Any other material that is necessary for the construction of this work can be got locally at any season of the year. I think I have taken up sufficient time to show the minister the necessity for going on with this work at Shippigan, and I hope that he will be in a position to inform the house that the contract will be let before the vote runs out at the end of the fiscal year and that the work will be carried on in order to help the people in that vicinity.

Let me say that if this contract is cancelled on the ground of economy it would be poor economy. It would be imposing an extra burden on the municipality, an extra burden on the province, and an extra burden on the dominion exchequer because the dominion government has to pay one-third of the direct relief that will be given to these people. There are at least one thousand people interested in this enterprise. I do not say one thousand workers, but one thousand people including the workers, their families and dependents, and I trust that the work will be gone on with.

While I am on my feet I should like to bring to the attention of the minister another matter which might more properly be brought up when the item for dredging is under consideration, but as I do not know that I shall be in the house at all times, perhaps I might be permitted to refer to it now.

In the harbour of Bathurst the department has a dredge boat. She has been lying idle there for three years. In the 1930 session there was sufficient money voted to enable that boat to continue dredging Bathurst harbour. The fact is, however, that this dredge has remained idle since 1930, and I think I can safely say that it is rotting at the wharf because no repairs have been made, and there is only a man or two looking after the boat as watchmen. Bathurst harbour since that time has partially filled up, to such an extent that the great industry we have there, the pulp mill, is hampered in its work. Bathurst harbour has flowing into it four rivers—the Little river, the Nipisiguit, the Middle and the Tetagouche. The sediment or silt coming down from these four rivers is continually forming a bank about a mile and a quarter within the entrance of the harbour, and to-day there is not sufficient water on that bar to allow a vessel of any large tonnage, such as used to come in in the past, to come in and load or unload. We have quite a lumbering industry in the surrounding districts, and the lumber for the English market is shipped by water through Bathurst harbour. If we are unable to ship to Bathurst harbour we have to ship by rail to St. John, two or three hundred miles by rail, and then by water across the Atlantic. This dredge is lying idle in Bathurst harbour and I would ask the minister to take note of the conditions I have brought to his attention and to see if some part of the general vote for dredging in the province of New Burnswick cannot be utilized to dredge this bar or that part of the harbour that needs to be dredged. Let the minister apply to his colleague the Minister of Marine (Mr. Duranleau) who was given a very fine reception last summer by the people of Bathurst. It happened to be my son, Dr. Veniot, who was mayor of the city at that time and received the Minister of Marine. The minister was given a very warm reception and I know that he was well pleased with the reception Bathurst accorded him, but he could not bring his own steamer into the harbour of Bathurst, a port into which a few years ago vessels drawing twenty-two to twenty-four feet of water had no difficulty entering, but to-day you could not bring a boat into that harbour drawing seventeen feet of water. The Minister of Marine at that time obtained information from the business people of Bathurst, and I understand he promised to report his findings to the Minister of Public Works. I hope the Minister of Public Works will take note of this matter.

Let me draw the attention of the Minister of Public Works to another matter. Farming and lumbering in the lower section of Gloucester county, especially in the parish of Saumarez is almost a thing of the past. We have had no lumber mills in operation there for the past five or six years. There is a small mill starting up this winter. The people in that section in the past used to devote their time and energies to lumbering and fishing. Tracadie harbour, in the parish of Saumarez, had fairly good water, but the channel to the harbour was impassable because with every northeast gale or northwest storm the channel would change. Accordingly a recommendation was made to the government to dredge a new channel and build a breakwater to help out the fishermen. The government has spent about $175,000 in the construction of this breakwater preparatory to the opening of the new channel. The money was voted in 1930. I think about $50,000 or $55,000 was voted to enable the contract to be let, and tenders were called for. During the time of the previous government and under the present government about $175,000 has been spent on the contract so far. The work has been carried on and completed, but the channel still remains blocked. There is a dredge in that harbour. They started to dredge from the village side to the opposite beach to the west. The dredge started its operations in 1930 and continued them until the fall, when the work was stopped. That dredge is now tied up to the wharf and is rotting at the wharfside, and here we are paying wharfage, and nothing has been done since. When the general vote for dredging in the province of New Brunswick was up last year I asked the minister if any part of that vote would be devoted to continuing the dredging in Tracadie harbour. It would not take a great sum of money to finish this work. The greater part of the dredging inside has been done unless it has filled in again within the last few years. The greater part of the work now to be done is to cut through to the beach, and the suction dredge which is now in Tracadie harbour could very readily do this. I am sure that it could be accomplished in two months. If this work were done it would give an opportunity to a large number of people who are now on the dole to earn their living, and it would establish in that section of Gloucester county one of the finest fishing industries in the maritimes. I wish the minister to note that.

I will not take up the time of the committee further, but I do wish to point out to the minister once more, and to impress upon

him and the government, the great necessity for carrying on these works this year if at all possible.

Mr. STEWART (Leeds): I think my hon. friend must admit that the government has been impressed by the importance of having something done at Shippigan, from the very fact that an item has appeared in the estimates and that tenders have been invited for the work. He will also recall that after the estimates were brought down, and after the Minister of Finance had introduced his budget, an undertaking was given that the expense covered by the estimates would be reduced by approximately $14,000,000, and that undertaking has been carried out. Each department was asked to review carefully the program of contemplated works and as far as possible to meet the requirements of the situation. That is the reason why, although tenders were invited for this work, it was not undertaken. It is true that the importance of the work has been emphasized by the getting-out of pulpwood recently in that section. There is no doubt that the work is an important one, and if the revenues permitted, it would be undertaken. I shall consider whether it is possible even now to award a contract on the vote that has been passed this year, although the department had undertaken to forego any expenditure in respect of that item.

Mr. VENIOT: I would point out to the minister that the share which the dominion government alone has to pay towards the dole in Tracadie, in Shippigan and in Inkerman, will amount to almost one-quarter if not one-half of the cost of constructing the wharf.

Mr. STEWART (Leeds): There is no guarantee that if we did this work we should be relieved of this liability in respect of the dole, because we have not found it to work out that way.

Mr. VENIOT: There is a guarantee; the people selling pulpwood will not get the dole.

Mr. STEWART (Leeds): It would undoubtedly provide some employment, but I am afraid there would still be some contribution in respect of what the hon. gentleman calls the dole.

Mr. VENIOT: What about dredging?

Mr. STEWART (Leeds): Now I will take up the second item, dredging at Bathurst. Representations similar to those made by the hon. gentleman to-night have been made in connection with the situation at Bathurst. That also will be considered and it may be provided for out of the general vote or possibly in some supplementary estimate. If it is as urgent as my hon. friend says we will see if something can be done. In regard to Tracadie, considerable expenditure was made under the appropriation made by the former government, but owing to the curtailment of the vote available for government dredges in the maritimes we were unable to continue in operation all the dredges and had to lay up such ones as we thought could with advantage be dispensed with, continuing in operation only the one most useful. I am not sure that we shall be able to do much more at Tracadie this year. However, we will see what can be done.

Mr. VENIOT: Because the new gulley is not opened through to the beach, the work that cost $170,000 odd is being destroyed by the force of the seas, which otherwise would have a vent through the new channel and would not cause as much pressure on the outside work. If that work is left in the condition in which it is now and that channel is not opened, the pressure from the sea will be so great that you will not have any work there inside of two years; it will be all destroyed.

Mr. BELL (Hamilton): Will the hon. member for Gloucester assist us by telling the committee these two things, if he has them within his knowledge: First, as to when the dredge he speaks of ceased operations, and secondly as to when the trade in pulpwood to which he refers became active.

Mr. VENIOT: Dredging operations ceased in October, 1930, notwithstanding that the money had been voted for that purpose in the session of 1930. Dredging in Shippigan ceased, inside and outside the gulley, and operations provided for by a vote of $10,000 passed in this house in 1930 for dredging at Lameque, were also discontinued. Dredging at Lower Caraquet wharf, which was to be carried on under an appropriation of that year, was discontinued, as was also dredging at St. Simon, another fishing centre. So far as pulpwood is concerned, operations started in 1931, some time in the fall, and reached their highest figure in 1933, last summer, when there were shipped out 20,000 cords of pulpwood from that section of Gloucester. Of course, more wood is shipped from Gloucester off private lands, but the rest was in the upper section of the county where it had to go by rail and could not go by water.

Mr. HANSON (Skeena): Can the minister tell us where the money was spent last year in connection with dredging in British Columbia?

Mr. STEWART (Leeds): I have not that information but I will undertake to get it for the hon. gentleman.

Mr. HANSON (Skeena): I understand that very little if any of the money was spent in the northern part of British Columbia, there are three different places where, as I have been informed on reliable authority, the floats are in such poor shape that neither the fishermen nor anyone else will dare to land boats. Nothing is mentioned here about the floats, and I know that recommendations were made to the department, and to the district engineer, who is familiar with the conditions. There is one at Silver City on the mainland and there are two on Queen Charlotte Islands. A very small amount of money would put these floats into proper shape. These recommendations have been forwarded to the department and I should like to know whether, under the vote for harbours and rivers generally, something will be spent to put these floats into shape.

Mr. STEWART (Leeds): The dredging to which the hon. gentleman refers would come under item 116.

Mr. HANSON (Skeena): I think it is 113.

Mr. STEWART (Leeds): Item 116 would be for dredging, British Columbia, $140,000.

Mr. HANSON (Skeena): But the item 113, harbours and rivers.

Mr. STEWART (Leeds): That is for existing services.

Mr. REID: Regarding item 113, I notice that under the item of harbours and rivers generally there is a reduction this year of some $25,000. I know the minister will tell me that there is a reduction all round in the estimates. Of course I do not know what there might be in the supplementaries, but taking the estimates now before us I protest against this reduction this year. In this regard may I point out that last year New Westminster was the only port in the whole of Canada that showed an increase and it is now the third largest port. In spite of the depression through which we are passing, the number of ships entering that port increased during 1933 to the extent of 409 large vessels of from 8,000 to 10,000 tons. I draw the minister's attention to that considerable increase in business and appeal to him now for greater consideration for that port. On occasions there are as many as six deep sea vessels in the port at one time and they are finding it difficult at times to turn around in going out. They have, I might say, to turn around so as to head downstream in going out down river. Owing to lack of depth of water in various spots ships become stranded, and last year I believe one or two became stuck for the lack of room while endeavouring to turn around and go out. I need hardly draw attention to the seriousness of a ship of 9,000 or 10,000 tons being stuck in the sand because, if it touches bottom, especially if it has a cargo, the consequences may be serious.

I do not believe the government has been entirely seized of the trade outlook from the west. Since confederation the whole development of Canadian ports has been on the Atlantic seaboard and in looking over the estimates I notice that the amount available for Atlantic ports is just ten times as much as that for those on the Pacific. Far be it from me to raise the issue of the east against the west, but I think the time has now come when Canada should look more to her western ports especially as her trade with the orient and other countries is growing and will grow as the years pass by. When, on looking at the estimates, I find a total of $1,131,400 available for Atlantic ports and the total estimate for the western ports of British Columbia is $128,700, it is no wonder that I rise and protest.

To come to the item under discussion, especially with regard to the Fraser river, I should like to point out that 60 per cent of the lumber that left British Columbia last year went out from that river. Well over 218,000,000 feet of lumber left that river for export in addition to many tons of fish and 431 cases of apples, but all told 2,384,000 gross tons went through the port of New Westminster last year. As I say, it is the third largest port in Canada and yet we find for the whole of British Columbia an estimate of only $128,700. The matter of ships not having room to turn due to lack of depth of water should be attended to because, in spite of the difficulties which have beset us in the development of the port due to the irregularity of the Fraser river, New Westminster has shown wonderful growth. I believe I am safe in saying however that the channel there in some parts at least is not any better after twenty-five years of operation. It is true that it has been developed and improved in parts, but there are other parts that I believe should be further considerably improved. While I do not object to what is being spent in the east, I am appealing to the minister in all seriousness that more attention should be paid to ports on the Pacific especially the port of New Westminster.

Mr. STEWART (Leeds): I think my hon. friend will agree with me when I say that you cannot roughly determine by geography the expenditures which should be made; the matter depends upon existing conditions.

Mr. McINTOSH: Geography would be a factor, would it not?

Mr. STEWART (Leeds): It might have something to do with the matter. I think the hon. member should also agree with me that special consideration has been given to the requirements of New Westminster and a very large proportion of the money available for expenditure in British Columbia has been expended on the Fraser river. We have done our best to meet conditions as they arise there from time to time and every representation that my hon. friend has made —and he has made many of them, as he has a right to do—have, as conditions warrant, been given prompt attention; just so far as our equipment has permitted and funds are available, the requirements have been met. I think he will agree with that, and that we have made a sincere and honest endeavour to meet the difficult conditions that arise from time to time in the Fraser river. The engineers are in touch with the situation; they are following it from day to day and doing their best to meet the emergencies as they arise.

Mr. HANBURY: I would just like to associate myself with the remarks made by the hon. member for New Westminster. While it is true that much money has been spent on that harbour, I would point out to the minister that large expenditures will probably be necessary there for some time to come. Canada has already a large investment in the Fraser river up to the harbour of New Westminster and with the silting and the shifting of sands in the river it probably will be necessary for some time to come, if we are going to have an efficient port, to make heavy expenditures there.

Mr. STEWART (Leeds): There is no doubt about that.

Mr. HANBURY: As the hon. member for New Westminster has pointed out, a very large percentage of the total exports of British Columbia go out through New Westminster harbour. It is therefore of vital interest to industry in Canada and particularly to lumbering that that harbour should be maintained in a condition that will enable the export of lumber to be put on a proper basis. I cannot believe the amount that has been provided in the estimates for the general maintenance of services is sufficient for the requirements of New Westminster harbour and I support the recommendation of the hon. member for that constituency, that the minister should investigate the matter carefully to see that we do not economize to such an extent as to lose a large portion of the investment we have already made there. As I pointed out before, our investment is now large and unless we maintain it on an efficient basis, the time will come probably shortly when it will be necessary to spend an exceptionally large amount to put that harbour into the condition in which it should be maintained. I would inquire of the minister whether the sea wall and other works that have been carried on for many years in the harbour of Vancouver along Stanley park would come under this item. For many years work has been carried on at Stanley park in Vancouver in connection with the sea wall and other projects. I am not sure whether that work would come under this item or some other item.

Mr. STEWART (Leeds): A special appropriation would be required, I would say. I would like to ask the hon. member if the work is carried on by the harbour commission?

Mr. HANBURY: No, by the Public Works department. And if there is no other item I would like to mention to the minister that at this time when every effort is being made to create employment for manual labour, possibly the construction of the sea wall in Stanley park, Vancouver, is a work that is nearer to being all manual labour than anything that might be done. This work has been going on, the expenditure running, I think, from $9,000 or $10,000 to $12,000 a year. I think there is considerable work still to be done, and I would suggest to the minister that he investigate it, particularly in relation to the program of works which the government propose to put into force to meet the unemployment situation. I would ask him to investigate that and other work at Stanley park, Vancouver, which would consist very largely of manual labour, to see whether funds could be provided to carry them on now when employment is so vitally needed.

Mr. REID: I would like to ask the minister if he contemplates making any provision in the supplementary estimates for the improvement of some of the jetties, or doing any further work on the jetties?

Mr. STEWART (Leeds): I can scarcely tell my hon. friend yet what will be in the supplementary estimates, but if he has any suggestions along that line we will give them consideration if he will send them in.

Mr. HANSON (Skeena): I nearly always agree with my hon. friends from Vancouver-Burrard (Mr. Hanbury) and New Westminster (Mr. Reid) but in this case I do not. They talk about the government spending money in dredging to develop harbour facilities on the Pacific coast. I wish to remind the government and the members of this house that at Prince Rupert in British Columbia we have a harbour that is second to none on the Pacific coast and needs no dredging. The government railway runs to it, it is 500 miles nearer to the orient than any other Pacific port. So I take exception to the proposal that money should be spent to try to make artificial harbours on that coast when we have natural harbours which are more suitable.

I also wish to ask the minister whether when the supplementary estimates come up he would consider those two places I mentioned in British Columbia. There is one on the mainland, Silver City, and two on Queen Charlotte island, which require a little repair or improvement to enable the fishing fleet and the coastwise shipping to land at the docks; also one in the interior which has not had any assistance in the last four years. Before that they used to have a few dollars each year, and it requires $200 more to complete the work on the White Sail and Ootsa rivers. It used to come within the Nelson district but now it is included in the coast district. I would like the minister to give me an assurance that he will look into that matter. Representations have been made to him by myself and some others.

Mr. STEWART (Leeds): I will ask the district engineer to make a report on the suggestions of my hon. friend.

Mr. NEILL: I would like to take a minute or two to put on the record a matter that I have taken up with the minister privately, the extension of the lumber assembly wharf at Port Alberni. That wharf is rather a unique undertaking; it was built at a cost of $135,000 some six or seven years ago, and unlike any other work of the character in Canada, I think, it paid from the grass roots, if you can apply that expression to a wharf. We have no harbour commission there, no suggestion of graft, no expensive machinery, no costly overhead officials. It is run by the government itself, run well and economically, and it has paid as I say right from the beginning. Of course there are wharves elsewhere under the auspices of commissions and harbour boards, but this one is run by the government. There is no doubt that it has been the salvation of that thriving little town during the depression, the whole community would have been on relief had it not been for the seaborne trade that was carried on through the instrumentality of that wharf. My hon. friend from New Westminster talks about his port being the third biggest in Canada. Port Alberni is the third biggest lumber shipping port in British Columbia, its export of lumber runs very close to that from New Westminster. Last year 104,000,000 feet of lumber were shipped from there, and this is only one small place on the west coast. I happened to notice in the press that the total shipments of lumber from New Brunswick were only 135,000,000 feet. The lumber business there was very closely run, there is little money in it, it was being run more to keep the men in employment than anything, and that condition still obtains to some extent. To help the industry out the government reduced the wharfage dues by one half, and even at that it is bringing the government in something like $1,000 a month, a condition that I do not think obtains in the case of those ports for which my hon. friends from Vancouver-Burrard and New Westminster speak. Port Alberni, I think, is one of the finest harbours on the Pacific coast. We do not need dredging to make a harbour, all we want is a wharf. We could put the whole British fleet in the Alberni canal and still have room for more. The other day I saw an item in the newspaper stating that a boat had just come in for lumber, I think it said it is the second biggest ship afloat in freight business, but she had no trouble getting in or out, went in under her own steam, did not require to be hauled in. But the wharf is dangerously overcrowded. I was there before I left and every available foot was occupied almost to the extent of being dangerous. Indeed I noticed that there was a little V-shaped place between the approach and the wharf, never intended to be a part of the wharf, but it was planked over to prevent people walking into it in the dark, and because the place was so over-crowded they had some 1,700 ties piled there, and they went down into the water. An extension of 200 feet was recently asked. That certainly would relieve the congestion to some extent, provide space for lumber and so would help a little; but what is being asked now—the minister has had telegrams and letters recently—is that with the increased business, growing every day, there should be an addition of 400 feet, which would provide a berth for another ship. At the present time only one ship at a time can lie at the wharf, and others, sometimes four or five at once, have to lie out in the stream.

That is expensive, and there is danger of us losing our trade, so painfully and laboriously worked up, on account of the boats not being able to get quick service. Demurrage on an ordinary steamer will run from $200 to $700 or $800 a day, and if any lumber merchant has to pay that you will understand it is going to make him very unwilling to come back to that port.

I would like to say further that the government as we know has in contemplation a large program of public works this coming summer. I am certain, as I think many of us must be, that some of that money will be spent for purposes that will not only be unproductive but will be a source of expense for maintenance in the future. This is an outstanding case of a work that will not only provide employment while the work is being done but it will pay, in the wharfage, interest on the expenditure and will provide work for the men, the stevedores and those employed in the lumber business. So the government will not be involved in the expense of maintenance, and it will be substantially helping to relieve the unemployment situation, not only for to-day or for this year but for years to come. I know the engineer, who is a very capable man of wide experience, is in sympathy with this suggestion. He made a personal investigation of the situation; even in the short period since I left home trade has gone ahead, and it is increasing almost day by day. It is proposed to construct another large sawmill at that point; I understand they are to break the ground next month, and certainly this would encourage them to go on with that work. Adjoining the Alberni canal in that neighbourhood is the last large stand of the big Douglas fir on the Pacific coast; I think there is a larger stand there than anywhere else. We have three large sawmills at that point in addition to the new, modern mill which is contemplated, and no doubt that is where the great development is going to take place in the next few years.

I only wish to put these facts on record. I know the minister will do what is right and that he will have the matter investigated. The extension of this wharf would be thoroughly justified from every point of view.

Mr. STEWART (Leeds): In reply to my hon. friend I can only say that these estimates were prepared before any representations such as he mentions were made in connection with the extension of the wharf at Alberni. It is true, as he stated, that I have received many telegrams and representations such as he has described, and I may tell him that I have had representations with regard to the extension of a wharf in at least one other locality. All these matters are being studied in connection with any program we may develop, and in connection with our supplementary estimates. The recent development of the lumber business in British Columbia seems to have been very rapid, and in some respects it appears to have outgrown the facilities that were considered ample under the conditions that existed two or three years ago.

Item agreed to.

Dredging—
Maritime provinces, $161,200.
Ontario and Quebec, $215,500.
Manitoba, Saskatchewan and Alberta, $50,000.
British Columbia, $140,000.

Mr. MacLEAN: Would the minister give us a little information with regard to the dredging done in Prince Edward Island last year, and what is contemplated this year?

Mr. STEWART (Leeds): I cannot give my hon. friend particulars of the expenditures made in the past year. This is a general item which will enable us to allocate the amount for such works as appear to be most necessary. The plant that we have in the maritimes will be operated as far as the appropriation will permit, and the work will be done where it is most urgently needed. I am afraid that is all I can say on a vote like this.

Mr. REID: I wonder if the minister has any information as to how much was spent for dredging in British Columbia last year, and where it was spent.

Mr. STEWART (Leeds): I have not that information, though I can get it.

Mr. REID: I notice a small increase in the dredging vote this year, for which I am very glad, but I would direct the minister's attention to the fact that dredging is needed on the Fraser river in order to provide adequate facilities. A great deal of dredging is required in front of the elevator, which is being operated by a reliable grain firm. Dredging is also required in front of the wharfage facilities of the Pacific cold storage, so that at least two vessels can lie there and be loaded or unloaded at the same time. In addition there is the new cut, which may give a good deal of trouble. I wonder if the minister has any information with regard to the new cut, whether it has been completed and whether or not it is a success.

Mr. STEWART (Leeds): The last time I discussed the matter with the chief engineer he reported that the results were very satisfactory.

Mr. REID: I speak of the amount to be spent for dredging because I know the requirements that should be met, and I know that once an appropriation passes that is the end of it. In other years when we have come asking for more dredging to be done we have been met with the answer that the appropriation has been exhausted, so this year I am suggesting to the minister that more dredging is required in order to maintain the facilities which are in operation on the Pacific. I would ask the minister seriously to consider this matter when the supplementary estimates are being made up.

Mr. STEWART (Leeds): Very well.

Mr. RYERSON: I should like to ask the minister if anything is included in this vote for the dredging of Port Dover harbour?

Mr. STEWART (Leeds): All I can say to my hon. friend is that the amount has not been allotted as yet. It will be distributed in the way we think most desirable having regard to the most urgent needs.

Mr. RYERSON: I might say to the minister that this work is very important, and is so considered by the fishermen and business men of Port Dover. I have received representations from the Grand Valley Board of Trade calling my attention to the difficulties that are being experienced at Port Dover at present, and I would ask the minister to take this matter into consideration.

Mr. STEWART (Leeds): I will have it investigated.

Mr. SANDERSON: I should like to ask the minister what proportion of the amount of $215,500 devoted to Ontario and Quebec is to be spent in Ontario, and where the work is contemplated.

Mr. STEWART (Leeds): I can only give my hon. friend the same answer, that the allocation has not been made as yet. Last year we had many demands for dredging that could not be met, and we just did the work we thought was most urgent as far as the funds would permit. That is why the vote is made up in this way.

Mr. SANDERSON: Then I would like to ask the minister if the total amount is apportioned in any way as between Ontario and Quebec.

Mr. STEWART (Leeds): No, that is the form in which the vote has been made up for a great many years.

Mr. CASGRAIN: Could the minister tell us how much was spent in Quebec last year under that item, and where the work was done?

Mr. STEWART (Leeds): I am afraid I cannot give my hon. friend that information.

Mr. CASGRAIN: Has the minister any report from his officers as to the work that will be done this summer, and where it will be done?

Mr. STEWART (Leeds): No.

Mr. CASGRAIN: Is that work done by government dredges or under contract?

Mr. STEWART (Leeds): Some of it may be done under contract but most of it will be done by our own dredges.

Mr. SANDERSON: Could the minister say what amount was spent in Ontario for dredging last year?

Mr. STEWART (Leeds): As I say, I have not the information here as to the expenditures last year.

Mr. REID: Has the minister any information with regard to the dredging contract that was let for the north arm of the Fraser river last year, and how much was spent?

Mr. STEWART (Leeds): I have not that information.

Mr. REID: Some time will you get it.?

Mr. STEWART (Leeds): I shall send that to my hon. friend, if he would like to have it. I will see it is sent to him.

Sir EUGENE FISET: I suppose the minister will tell me that the same applies to the dredging work done last year at Rimouski.

Mr. STEWART (Leeds): Yes.

Mr. McINTOSH: There are items here for Manitoba, Saskatchewan and Alberta. This year the amount is $50,000 for dredging, last year it was $53,000. The amounts are fairly equal, one year with another. May I ask the minister where that amount of $50,000 for dredging will be spent?

Mr. STEWART (Leeds): Again the same answer will apply. On the reports of our engineers, as they come in, the money will be allocated.

Mr. McINTOSH: Has not the minister a rough approximation in mind as to how much will be spent in Saskatchewan?

Mr. STEWART (Leeds): No.

Mr. CASGRAIN: This may not be a serious matter, but it is not fair to the members that the minister should come to this chamber and ask for votes, when he is not able to tell us how much is going to be spent in the province of Quebec, how much in the province of Ontario, or the provinces of Manitoba, Saskatchewan or Alberta. Upon what information does the minister base his estimate when he puts certain amounts in the estimates? If he has no program or no definite information to go by for each province, how does he fix a figure?

Mr. STEWART (Leeds): The amounts that were required in previous years to keep our dredges operating—that is the basis of our estimate.

Mr. CASGRAIN: But I understand that the estimates are made on reports of various district engineers. They send reports to the officials at Ottawa in which they state, "We have a request to do dredging at such a place, such a port or the entrance of such river." Surely the minister must have before him the report of those officials, and he must be in a position to tell us where these moneys will be spent. He should be able to tell what is going to be spent in the constituency of the hon. member for Rimouski, or what is to be spent in other counties of the province of Quebec. The same would apply to the other provinces. I do not think it is fair to vote these large amounts of money without knowing where they will be spent, and at whose request and for what purpose the expenditures are being made.

Mr. McINTOSH: Mr. Chairman, I notice in item 116 there is a vote of $161,200 for the maritime provinces, a vote of $215,500 for Ontario and Quebec and one for $140,000 for the province of British Columbia. Far be it from me to say that these amounts are too large. I notice however the minister cannot give any particulars with regard to any one of these amounts. Then when it comes to that stretch of the dominion which lies between Winnipeg and the mountains we have the paltry sum of $50,000. Although the House of Commons has power over revenue and control over expenditures yet the minister cannot explain where this $50,000, this paltry sum, this bit of money as I might say, is to be spent during the coming year.

Mr. STEWART (Leeds): Mr. Chairman, I think my hon. friend will agree that there are not many harbours in Saskatchewan.

Mr. VALLANCE: How about Churchill?

Mr. McINTOSH: I thought the minister would come back with that statement, and I shall refute it inside of the next few minutes.

Mr. STEWART (Leeds): I was going to state that for the operation of the departmental plant in 1934 and 1935 one dredge is required at an expense of $46,300, and some day labour amounting to $1,500.

Mr. McINTOSH: In what province is that?

Mr. STEWART (Leeds): The amount of $46,300 covers the operation of more than one dredge.

Mr. CASGRAIN: What province is that?

Mr. STEWART (Leeds): The provinces of Saskatchewan, Alberta and Manitoba.

The CHAIRMAN (Mr. Lawson): Shall the item carry?

Some hon. MEMBERS: No.

Mr. VALLANCE: I should like to ask a question. Has it always been customary to vote these sums without any detailed statements from the minister? When we ask him what was done with the vote given last year he does not seem to know. We are asking what he is going to do with this year's vote, and he tells us he does not know. When do we reach the stage at which the minister will know, and will be able to tell the house either what he contemplates doing or what he has done?

Mr. STEWART (Leeds): We prepare a tentative program as soon as we know what money is available.

Mr. VALLANCE: What did you do with it last year?

Mr. STEWART (Leeds): It is used to the best possible advantage where work is most needed.

Mr. VALLANCE: Surely the minister can tell us where the money was used before, if he cannot tell us where he is going to use it this year. Where did you use the money last year? Where were the dredges operated?

Mr. STEWART (Leeds): I find I have expenditures for Manitoba, Saskatchewan and Alberta: for dredge No. 202, at Lockport $96; Lake Bar, $650.

Mr. VALLANCE: Is that a dredge with a shovel?

Mr. STEWART (Leeds): It goes from place to place and does the little work that is needed. Then, in Winnipeg, Manitoba, there was work at a second wharf costing $320, at Ramsay's Rapid, Springfield, $2,621; Goldeye lake, Manitoba, $4,850; Olafson's bay, Manitoba, $1,040; Selkirk slough, $2,234; marine railway at Selkirk, $500; making a total of $12,375 with some other small items I have omitted?

Mr. CASGRAIN: Well, if the minister can give us the figures for last year in regard to the provinces of Manitoba, Saskatchewan and Alberta, it would be only fair for him to give those of the province of Quebec. Probably he would give the figures in the province of Ontario too. Where was the work done, what money was spent and for what purpose?

Mr. BELL (Hamilton): We willl look after Ontario; stick to Quebec.

Mr. STEWART (Leeds): These are some figures for Ontario and Quebec: Rimouski, $26,000; Matane, $26,000. Then we come to dedge No. 117: Port Burwell, Ontario, $15,-148; Rondeau, $354; Kingsville, $3,703; Leamington, $17,186; Port Stanley, $1,736, making a total of about $38,000.

Then, for dredge No. 127, there is an expenditure in Bonaventure county of $1,500. On dredge No. 2 at Amos there is an expenditure of $351; lake De Montigny, $4,881; Heva river, $4,215; and lake Blouin, $5,851.

Mr. McINTOSH: What river is that?

Mr. STEWART (Leeds): Blouin.

Mr. CASGRAIN: Where is that situated?

Mr. STEWART (Leeds): In Pontiac county I believe.

Mr. SANDERSON: I should like the minister to give the total amounts spent last year in the province of Ontario for dredging?

Mr. STEWART (Leeds): I am told that the returns showing total expenditures are not yet compiled. Repairs to dredges, and that sort of thing, have not been allotted; they are still under contract.

Mr. SANDERSON: How long will it take the minister to get that information; when does he expect it?

Mr. STEWART (Leeds): When the repairs to the dredges which are laid up are completed, and the accounts rendered.

Mr. SANDERSON: When will that be?

Mr. STEWART (Leeds): We do not know that until the end of the fiscal year.

[Mr. Vallance.]

Mr. SANDERSON: I am not asking for the exact expenditure to a dollar, but could he not give us some information which would be fairly close to the amount spent?

Mr. STEWART (Leeds): I thought I was giving my hon. friend that when I gave him the expenditure in these different places.

Mr. SANDERSON: The minister gave the figures for Ontario and Quebec bunched together. I want the figures for Ontario separate.

Mr. STEWART (Leeds): The figures are not separated by provinces. The appropriation for Ontario and Quebec was $215,000, and the authorizations that have been given in respect of it are $157,162.25. The items are Baie des Sables, $538.71; Barachois de Malbaie, $100; Bell River, $950; Desjardins, removal of logs at wharf, $63.05; and a long list of small items of work done by day labour in different harbours.

Mr. CASGRAIN: Was any dredging done in the riding of Charlevoix-Saguenay?

Mr. STEWART (Leeds): I do not notice any.

Mr. CASGRAIN: Would the minister be able to find out by referring to his books? Several requests were made in previous years when I was on the other side of the house and since I have been on this side by myself for dredging in 1930, 1931, 1932 and 1933. No doubt if all the requests that have been made have not been granted, at least some of them that were supported by hon. gentlemen opposite may have been granted and work done. If any work has been done I would like to know if it was done by dredges under the control of the department of the minister or by private companies, and where such work was carried on.

Mr. STEWART (Leeds): There does not appear to have been any dredging done in Charlevoix-Saguenay.

Mr. CASGRAIN: Nothing?

Mr. STEWART (Leeds): That is what I am told.

Mr. CASGRAIN: Did not the minister receive requests last year for certain dredging to be done at the entrance to certain rivers?

Mr. STEWART (Leeds): All I can say is that we have had many requests that we have not been able to comply with.

Mr. CASGRAIN: Does the minister anticipate that out of this vote of $215,000 there is any possibility of some of the works that were asked for last year being proceeded with this year?

Mr. STEWART (Leeds): The more urgent ones will certainly have to be considered.

Mr. CASGRAIN: Does not the minister consider that these works in Charlevoix-Saguenay are just as urgent as works in other counties?

Mr. STEWART (Leeds): No discrimination is made on county or provincial lines. We are simply doing our best with the limited appropriation to meet the most urgent of the many demands that are made upon this vote.

Mr. SANDERSON: A moment ago I asked the minister what to my mind at least was a very simple question—the total amount of dredging that had been done in the province of Ontario last year. I want the total amount.

Mr. STEWART (Leeds): If my hon. friend insists on getting that information, as he is entitled to, I shall have it added up by the officials of the department and checked, and give him the information.

Mr. SANDERSON: Might I ask the minister how long it will take to do that?

Mr. STEWART (Leeds): I do not know; it should not take very long.

Mr. SANDERSON: I would suggest to the minister in all kindness that he had better let this item stand until he gets the information.

Mr. STEWART (Leeds): I am just told that all the reports are not in yet. Repairs to the dredging plant are not in, and the figures have to be apportioned.

Mr. VALLANCE: Better hold the election off for another year then.

Mr. BELL (Hamilton): We must find out about the dredging in Perth.

Mr. HANBURY: Does the dredging at Churchill come under this vote for Manitoba, Saskatchewan and Alberta?

Mr. STEWART (Leeds): No, that is in the Department of Railways and Canals.

Mr. SANDERSON: The information I desire is rather important and I cannot for the life of me see why the minister cannot or will not give it to me.

Mr. STEWART (Leeds): It ought to be perfectly plain to my hon. friend that I cannot give him information that is not here and that has not yet been compiled. I have told him that I will have it compiled and will give it to him.

Mr. SANDERSON: I will put it this way. If the minister cannot give me full information as to the full amount spent on dredging for the province of Ontario last year, how much has been spent in the province that he has knowledge of?

Mr. STEWART (Leeds): I can only tell my hon. friend that the total expenditure out of this vote up to January 31 was $149,736.70.

Mr. SANDERSON: In the province of Ontario?

Mr. STEWART (Leeds): No, that is the combined expenditure.

Mr. SANDERSON: We are not getting very close together, Mr. Chairman. Out of this $149,000 odd, how much was spent in Ontario?

Mr. STEWART (Leeds): That is what I have told my hon. friend I will get for him and send to him, or if he insists on the item standing I will let it stand.

Mr. SANDERSON: I would suggest that the minister had better let the item stand for that information.

Mr. STEWART (Leeds): All right.

Item stands.

Roads and bridges—

Burlington channel bridge—maintenance and repairs, $15,000.

Dominion roads and bridges—generally, $5,000.

Perley bridge over Ottawa river at Hawkesbury, the Quebec government to contribute one-third of cost of construction only, the Ontario government to contribute one-fourth of cost of construction and to pay annually one-fourth the maintenance costs, $3,000.

Great Bear river rapids—completion of portage road and dock, $12,000.

Kingston—wharves and bridges—maintenance and repairs, $19,000.

Ottawa—maintenance and repairs to bridges and approaches, $8,000.

Mr. VALLANCE: I do not know whether this is the proper item upon which to ask this question. The item is headed "roads and bridges." If and when the government decides to build a bridge, we will say, for unemployment relief purposes, is it the engineers of his department who have charge of the construction of such works undertaken as a measure of relief?

Mr. STEWART (Leeds): In the matter of works undertaken for the relief of unemployment, the municipality, the province and the dominion contribute jointly, and the work is carried on under the supervision of the municipality or the province, and not under the supervision of the dominion. The dominion engineers do not prepare the plans

nor supervise the work. The dominion makes its contribution to the expenditures made by the province on a report that the expenditures have been made.

Mr. VALLANCE: The department itself has no supervision over any work that is constructed as a relief measure?

Mr. STEWART (Leeds): None whatever.

Mr. VALLANCE: Now that the Prime Minister has left the chamber—I notice that the hon. member for Rosetown addressed the Prime Minister—I was just wondering if he had noticed that roads and bridges were coming up. Some two years ago the municipality of Outlook, the provincial government, and I think the federal government entered into a solemn agreement to build a bridge across the southern Saskatchewan river at Outlook. The approaches are built, as the hon. member for Saskatoon (Mr. MacMillan) will agree with me—

Mr. MacMILLAN: That is all wrong.

Mr. VALLANCE: Is it the intention of the federal government to come through with their contribution so as to make the construction of this bridge possible?

Mr. STEWART (Leeds): I would suggest that my hon. friend ask the Minister of Labour under whose jurisdiction all these works for the relief of unemployment come. They are not conducted under the Public Works department at all. We have no part or lot in them, unless in respect of a work that is done by the dominion which is wholly of a dominion character.

Mr. VALLANCE: Where it is a three-way split the dominion has nothing to do with it?

Mr. STEWART (Leeds): Nothing to do with the supervision of the work. The plan is approved by the province and the scheme in general is approved by the dominion government on the recommendation of the Minister of Labour, and when the work is completed and the accounts have been audited the contribution is made.

Mr. VALLANCE: Are we going to have an opportunity at some other time to discuss these matters?

Mr. McINTOSH: Will the minister say that his department has no initiative at all, no responsibility whatever in connection with a public works relief program?

Mr. STEWART (Leeds): I say that, for reasons which I think the hon. gentleman will understand, other plans have been adopted on the recommendation of the provinces and municipalities, and our part is that of contributor. We do not initiate, we do not supervise, we do not control; we pay our share of the cost.

Mr. VALLANCE: I am in receipt of a resolution passed by the municipality of Eatonia, southern Saskatchewan, soliciting the cooperation of this government in the scheme just outlined by the minister of a one-third contribution each from the province, the municipality and the federal government. Has the minister received a copy of that resolution? I fancy it has been sent to other members; I should think the hon. member for Kindersley has received one.

Mr. STEWART (Leeds): We have received a number of resolutions recently and the name is rather familiar.

Mr. VALLANCE: What consideration is it receiving from the government?

Mr. STEWART (Leeds): The matter would appear to be one that should come through the province with respect to relief of unemployment, rather than on the initiative of the dominion.

Mr. McINTOSH: When the minister receives a resolution of that kind, to what department does he turn it over, if he has no responsibility in the matter?

Mr. STEWART (Leeds): It goes to the Department of Labour, or a reply is sent suggesting that as it is for the relief of unemployment it be taken up with the municipality and the province and forwarded through the regular channel to the Minister of Labour.

The CHAIRMAN (Mr. Lawson): I would point out that the questions which hon. members have been asking have no relation to the item under discussion. Hon. members are asking questions with respect to the contribution of the dominion to unemployment relief.

Mr. VALLANCE: This government is responsible to the extent of one-third in connection with these bridges, and there must be some item under which we can discuss this matter. If the minister says, and the chair so rules, that this is not the proper time to discuss it, very well; but there must be some item under which it can be taken up.

Mr. McINTOSH: Will the chairman make the statement that since the Department of Public Works cannot accept responsibility in

the matter, and the Department of Labour cannot, there is some other department that assumes the responsibility. If so, what department?

The CHAIRMAN (Mr. Lawson): It would be futile for the chairman to make such a statement because it would not be binding on the house or on the committee.

Mr. STEWART (Leeds): This vote relates to roads and bridges built by and under the control of the government; that is all.

Mr. SANDERSON: There is a small amount of $5,000 for dominion roads and bridges generally. Where was this money spent last year, generally, in connection with dominion roads and bridges?

Mr. STEWART (Leeds): The amount is required for repairs, renewals and painting that may be necessary in connection with various roads and bridges throughout the dominion, under the jurisdiction of the department, and for which no provision has been made by specific items in the estimates.

Mr. SANDERSON: What amount was spent last year under this vote ?

Mr. STEWART (Leeds): The amount was $1,977.

Mr. SANDERSON: Where was it spent?

Mr. STEWART (Leeds): I have not the details of that item.

Mr. MERCIER (St. Henri): There is an item for maintenance and repairs to the Burlington channel bridge. What sort of bridge is that?

Mr. STEWART (Leeds): It is at the entrance to the harbour at Hamilton.

Mr. MERCIER (St. Henri): How is the amount divided between maintenance and repairs?

Mr. STEWART (Leeds): This is a vote of $15,000. For 1934-35, for permanent staff, there was $6,000 less 10 per cent, or $5,400; for seasonal staff, $4,080, less 10 per cent, or $3,672, making a total of $9,072. For supplies and repairs, and electrical power, there was $2,000; telephone, $40; lighting, $164; supplies, such as oil, etc., $2,000; repairs, renewals and unforeseen contingencies, $1,724, making a total of $5,928. This gives a grand total of $15,000.

Mr. MERCIER (St. Henri): When was the bridge built?

Mr. STEWART (Leeds): I do not know.

Mr. MERCIER (St. Henri): Does the minister know the name of the contractor?

Mr. STEWART (Leeds): No.

Mr. BELL (Hamilton): I think he has a lawyer already.

Mr. MERCIER (St. Henri): We have heard so much about the Montreal bridge that I want to know something about the Burlington channel bridge.

Mr. CASGRAIN: How many bridges are under the control of the Department of Public Works?

Mr. STEWART (Leeds): We have the maintenance of the St. Leonard, New Brunswick international bridge, one at Clair, New Brunswick; one at Edmundston, New Brunswick, and there are general repairs to other bridges, representing $3,300.

Item agreed to.

Telegraph and telephone lines—
Saskatchewan and Alberta telegraph and telephone lines—repairs and improvements, $5,000.

Mr. CASGRAIN: Just above this item I see for Quebec, "appropriation not required for 1934-35, $10,500." Have the works that were started in the county of Charlevoix-Saguenay from Tadoussac right along the north shore of improving, repairing and remodelling the telegraph line, been discontinued, or are they going to be carried on again this year? As I understand the situation, a few years ago a program was elaborated whereby the department was to build every year certain sections of the line and if my memory serves me well, at the present time the work has stopped at Seven Islands. Is the work going to proceed or is it to be left unfinished?

Mr. STEWART (Leeds): There is a general overhauling and repairing of the lines and rebuilding them where that is found to be necessary, but we are not at this time making any extensions that can be avoided.

Mr. CASGRAIN: I am not talking about extensions. This line was built many years ago, in 1886, and it was pointed out about four years ago that it would have to be nearly all rebuilt. Of course the government could not do the work all at once and they started to do it piecemeal, section by section. I understand the work was commenced and went on as far as a place called Seven Islands. It would be a pity if the work were not proceeded with, because as soon as business starts up in that area where development is going on, surely the people there will need

means of communication and at the present time they have not the type of telegraph service they require on account of the line being old-fashioned and not giving the satisfactory service that would be afforded by a modern line.

Mr. STEWART (Leeds): I can only say that I shall look into the matter and see whether it is possible to make those extensions.

Mr. McINTOSH: Where is this appropriation of $5,000 for telegraph and telephone lines in Saskatchewan and Alberta to be spent?

Mr. STEWART (Leeds): The requirements for 1934-35 on the Athabaska-Fort McMurray line are $500 and on the Edmonton-Hudson Hope line, $4,500.

Mr. McINTOSH: No part of that appropriation is to be spent in northern Saskatchewan?

Mr. STEWART (Leeds): No.

Item agreed to.

British Columbia northern district—repairs and improvements, $8,600.
British Columbia Vancouver island district—repairs and improvements, $4,000.
Telephone line on Langara island, $1,000.
Yukon telegraph system—repairs and improvements, $4,000.

Mr. NEILL: As regards the second item for British Columbia, Vancouver island district, there is a cut of something like 30 per cent. That line is being starved; the work cannot be done for $4,000. What is the explanation?

Mr. STEWART (Leeds): This is for general repairs and improvements on the Vancouver island district line as requested by the general superintendent in the memorandum which he has filed covering his requirements.

Mr. NEILL: Why is it 30 per cent less than it was last year? Last year's vote certainly was not a large one.

Mr. STEWART (Leeds): Last year to January 31 we spent only $4,081.

Mr. NEILL: The minister is working on the principle of feeding the horse on a straw a day and presently the horse will die.

Mr. STEWART (Leeds): I hope not.

Mr. NEILL: I hope not also.

Mr. HANBURY: Would the minister explain the large reduction in connection with the Yukon telegraph system. I have no particular interest there except a general one.

[Mr. Casgrain.]

Mr. STEWART (Leeds): The main portion of the work performed in 1933-34 was carried out on the Telegraph creek-Iskoot section with Foreman Edlund in charge, on the Nahlin-Nakina summit section with Foreman W. Blackstock in charge and on the Shesley-Nahlin section with Foreman C. W. Vance in charge. These sections are approximately sixty miles in length and very difficult to work over owing to the fact that materials and provisions had to be brought in by pack horses for a great distance. It is contemplated in 1934-35 to work over as great a mileage as was done this year, but in a territory which will not involve the expense presently encountered. For that reason the amount of money required for 1934-35 will not be as great as that expended in the present year. The territory is different.

Mr. McINTOSH: Has item 112 been carried?

Mr. STEWART (Leeds): I think that one stood.

Item agreed to.

Miscellaneous—
Architectural branch—salaries of architects, clerks of works, inspectors, draftsmen, clerks and messengers of outside service, $63,700.
Engineering branch—salaries of engineers, clerks, etc. of outside service, $366,000.
For operation and maintenance of inspection boats, $10,000.
Maintenance and operation of water storage dams on Ottawa river and tributaries, $23,100.
National Gallery of Canada, $25,000.
National monument on Connaught place, $100,000.
Surveys and inspections, $55,000.
Balance of expenditure for works already authorized provided amount for any one does not exceed $200, $4,500.
Miscellaneous works not otherwise provided for, not more than $3,000 to be expended upon any one work, $50,000.

Mr. MACKENZIE KING: I notice that in this item is included an amount for the national monument on Connaught place, an increase of $25,000 over last year's vote. Will the minister indicate what progress has been made with the monument and at what stage of completion it is at the moment?

Mr. STEWART (Leeds): This is to provide for the inclusion of three additional figures to the national commemorative monument and also for the transfer to and the setting up of the monument in Ottawa, as follows:

Three additional figures, $10,000.
Drawback on the contract being held pending the erection at Ottawa, $12,050.
Granite base, $60,000.
Concrete foundation, $7,000.
Grading pavements, sidewalks, etc., $10,950—Total, $100,000.

The appropriation for last year was $75,000, so the additonal expenditure contemplated is in connection with setting up the monument after it arrives.

Mr. MACKENZIE KING: What the minister has just said would indicate that the government evidently expect the monument will be sufficiently advanced to be placed in position possibly this year. In that connection I should like to say just a word to the minister about the location of the monument seeing that there have been some rumours to the effect that what was originally intended as the site for the national war memorial might be changed. A rumour has been circulated—and I imagine that there is no foundation for it—that some place other than the capital, Ottawa, might be chosen; again with respect to the capital, that the original site proposed, namely Connaught place, might be altered to some other site. I just wish to point out in connection with the monument that the site and all that pertains thereto was very carefully considered before any designs were called for. As the minister will recall, the monument was the result of a competition, almost a world competition; it was open to all artists, sculptors and architects of the British Empire and of the allied and associated powers. The terms and conditions of the competition were all carefully set forth in plans and specifications which were distributed at the time of the competition and which contained a description of the site and photographs of the area and surrounding buildings. I have in my hand a small volume issued by the department of public works in 1925 entitled Conditions of Competition for National Commemorative War Monument. In the terms and conditions it is set forth that the government desire to have a monument erected in the capital of Canada and that to quote the exact words: "the site of the monument will be on Connaught place in the city of Ottawa, in approximately the position shown on the accompanying plan." Mention is made of the fact that Connaught place was selected as being the most centrally located spot in the city of Ottawa, the idea of the government of the day being that the wish of the people of Canada generally would be that the monument would be placed where it would be seen most readily by visitors to the capital, and most generally by those who are resident in the capital; in other words where its position would permit of its being most generally and favourably viewed. It was agreed at the time that no other site was quite as appropriate as Connaught place. The designs were made in reference to Connaught place, and without a change of the monument in some particulars it will not be possible to locate it elsewhere. As the minister will see, the volume which was sent out by his department in 1925 contained views of Connaught place which were submitted to the sculptors, and all the designs which were sent in had relation to the immediate environment. The government appointed assessors who appraised the various designs and models sent in. The one that seemed the most appropriate was selected, and the monument selected by the assessors has special relations to the particular site named in this volume of conditions.

To show how important it is to retain the selected site I would draw attention to the fact that at the time those who have been awarded this monument pointed out that something would be lost if the site were changed, in that the monument was symbolical of the response of the new world to the old at the time of war, and that the figures had been arranged so that when the monument was in position the troops would be moving from the west to the east. It is necessary therefore that the monument should be so placed that the movement of the troops passing through the arch, will be from the west to the east and that the Connaught Place site affords in a quite unique way.

I think it is important that that particular site should be kept in mind for the further reason that other large expenditures that have been made by the government were made having in mind the widening of the central area of the city into an open park which would permit of the monument as well as the parliament buildings, being seen from a distance and the former as a central feature as parliament hill is approached from the park. As the minister knows we were discussing the other evening the matter of the central park and the question came up then as to what the city had promised to do with respect to the city hall. I am glad to supplement by this further word, what was said the other night, that while there may not have been a specific and legal agreement as to the site of the city hall becoming part of the park, the understanding was that a time would come when both the city hall and the post office building would have to come down, and what was agreed to was that when the time came that either of those buildings was demolished the space thus created would fall into what would be the Confederation park space. If the government of Canada decided to demolish the present post office that space would become part of the open space belonging to the city; similarly if the city decided to demolish the city hall that site would not be built upon again by the city but would become part of the park.

I want to mention, because I may not have occasion to speak of this again, a further reason for keeping in mind the central position in the capital for the location of this monument. The site was selected, as I have said, in relation to the larger plan of central development of the capital. That plan contemplated a time, which may not be very far distant, when the railways which run into the centre of the city will be electrified, and when the railway tracks themselves will be covered over, as they are in approaches to many large cities. If one were to seek to visualize what was in the mind of the government at the time they were planning the expropriations that have already taken place it was that in course of time the station itself would be enlarged to extend farther in the direction of Laurier avenue. Anyone looking at the station to-day will see that it is constructed only in part, that it contemplates an extension to the east corresponding to the portion constructed at present to the west of the central arch. From there on towards the east the railway tracks would be covered and become in the course of time something in the nature of a plaza which would extend along the east bank of the canal and adjoining Nicholas street from where the station is to beyond Laurier avenue as far as what is known as the Deep Cut near Echo drive. My hon. friend the Minister of Public Works is familiar with that portion of the park because up to a certain stage since he has been in office he has himself completed in a very creditable way that park area which lies between the canal and Nicholas street all the way from the Union station to the Deep Cut. He himself has been responsible for the direction of that work, and has added since the old buildings thereon were demolished that portion of the open space as park area to what is already park area or driveway on the east side of the canal and which will be an all important part of the larger scheme when completed.

The decision as to the location of the post office can be settled later, when it may be necessary. A suggestion has been made that the government in putting up other departmental buildings might wish to turn the Langevin block into a post office. Again there has been a suggestion that the front portion of the Union station might become the post office, and the station itself be enlarged. This would appear to have everything to commend it. I mention these matters now because they were in the mind of the previous government at the time the general plan was discussed with those who had to do with the setting out of the terms of the competition for the monument, and they may not be known to members of the present administration or present to the minds of some who are discussing the question at the moment. What I would suggest, if I might be permitted, is that before the monument is put permanently in any place it be erected temporarily in what is regarded as the best site in the capital, and be permitted to stand there until full opportunity has been given to this house to discuss a change of site should that be thought desirable. I believe the monument was erected in Hyde park, in England, temporarily, and there ought to be opportunity of treating it in a similar manner here.

Just one other point. Some suggestion has been made that the monument should be placed on parliament hill. That point too was carefully considered at the time the terms of the competition were arranged. It was pointed out then that already in connection with the parliament buildings there are three memorials which relate to the great war. There is the central column as one comes into the houses of parliament, which carries an inscription commemorative of Canada's participation in the Great war. There is the carillon, symbolical of the service and sacrifice of Canadian men and women in the war, and there is the peace tower. As far as other memorials on parliament hill are concerned I think they have been confined to some association with the political life of the nation as distinct from its other activities.

As to an objection that has been raised by some to a site on or near a thoroughfare, I would point out that in most of the large cities of the world that is precisely where many of the great memorials are located. In London, England, the Nelson monument is located in Trafalgar square a part of London where the traffic is most dense. Similarly the cenotaph is located in Parliament street near Whitehall, in the centre of the thoroughfare there. The Arc de Triomphe in Paris is in the centre of the Champs Elysées where many thoroughfares converge. I cite these instances in order that this aspect of the matter may be before the government when considering the location of the memorial this year.

Mr. STEWART (Leeds): I am grateful to my right hon. friend for the clear and comprehensive summary he has given of the plans and ideas which presented themselves to those who suggested this monument. It is true, as he said, that suggestions have been made not in keeping with those he has outlined to-night and, as has already been intimated, a committee of cabinet has been appointed to consider these matters. We are prepared to discuss the whole situation with the city and with those who may be interested in town

planning, and we hope to arrive at the conclusion that will produce the very best results. I can only say that my right hon. friend's suggestions will be brought to the attention of the committee at its first meeting and will be kept prominently before the committee in all conferences and discussions we may have as to these important matters.

Mr. MACKENZIE KING: I should like to thank the minister for what he has said. May I point out just one further consideration of importance. We are voting this money under the designation "National monument on Connaught place," and whatever has been paid out already has been paid out under appropriations so designated. The designs were for a monument on Connaught place; the moneys have all been appropriated under that heading from 1923 to the present time, and I suggest to the minister that the committee consider whether any alteration of the site at the present time would not involve a breach of the contract both with those who were competitors, and the artists who received the contract. I know that two of the brothers who won the competition came to the capital to view the particular site, and made certain alterations in the original design on the recommendation of the assessors and in order to make the monument, when it was completed, harmonize with the buildings in the immediate environment. I think that is an important consideration to keep in mind.

Mr. STEWART (Leeds): That is a point I had not noted before. The wording of the vote is exactly the same as it has been in all previous years, and possibly it does irrevocably commit the government to the location of the monument.

Mr. MACKENZIE KING: I should like to add one further word, because I think all these considerations are important. The portion of the city selected for the monument is known as Connaught place. It will be recalled that the Duke of Connaught, after whom Connaught place is named, was the Governor General of Canada at the commencement of the war. His Royal Highness was resident in Ottawa at that time. This adds a further association which makes that site if suitable in other respects, particularly appropriate for the location of a national commemorative war monument.

Mr. MERCIER (St. Henri): What is the total cost of the monument?

Mr. STEWART (Leeds): As far as we can tell the total cost will be $240,672.

Mr. MERCIER (St. Henri): Can the minister say when that monument will be completed?

Mr. STEWART (Leeds): The work has not been completed as yet and we cannot tell when it will be ready for delivery.

Mr. MERCIER (St. Henri): Of the $25,000 increase this year I understand that $10,000 is for three additional figures. What are those figures?

Mr. STEWART (Leeds): They were suggested as an improvement of the original design of the monument, and were authorized by order in council of April 18, 1933.

Mr. MACKENZIE KING: I regret to have to draw the minister's attention to the fact that the first two items in this miscellaneous vote concern the salaries of architects, clerks, inspectors, draughtsmen, messengers, engineers and so on. If these involve the ten per cent reduction I think the item had better stand.

Mr. STEWART (Leeds): The item will have to stand on that account.

Item stands.

Harbours and rivers—Nova Scotia—Under contract—

Cow Bay (Port Morien)—breakwater replacement, $17,000.

Yarmouth harbour—dredging, $41,000.

Essential undertakings—

Blandford—breakwater-wharf replacement, $4,500.

Black Point—harbour protection, $3,600.

Broad Cove marsh—breakwater-wharf replacement, $12,500.

Halifax—repairs to wharfs and replacement of machine shop at R.C.N. barracks and H.M.C. dockyards, $25,000.

Phinneys Green—wharf, $4,900.

Port Dufferin (John Vogler's Shore)—breakwater, $4,900.

Port Mouton—breakwater replacement, $6,900.

Trout Cove (Centreville)—breakwater extension, $4,200.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $225,000.

Mr. RALSTON: Is this the item which was being discussed by the hon. member for Antigonish-Guysborough?

The CHAIRMAN (Mr. Lawson): I am informed that this item was up for discussion on February 16.

Mr. RALSTON: Perhaps I am not in order, but one has to consider this point in connection with public works estimates. Has any policy been arrived at with regard to relief works? For the moment I will confine my question to Nova Scotia.

Mr. STEWART (Leeds): None, except such as have been undertaken under the agreement made with the province some months ago by which there is a joint contribution by the municipality, the province and the dominion. If my hon. friend has in

mind what he has been reading in the newspapers as to proposed new works, nothing has been decided as yet.

Mr. RALSTON: Can the minister give us any idea as to when we may expect a decision?

Mr. STEWART (Leeds): I am afraid my hon. friend will have to wait and see.

Mr. RALSTON: I mean whether it will be next month or not for two or three months.

Mr. STEWART (Leeds): I should say it would be before the house rises.

Mr. RALSTON: Thank you very much; that is very informative.

Item agreed to.

Quebec—Under contract—
Matane—repairs to harbour works, $19,800.
New Carlisle—wharf reconstruction, $17,000.
Petit Cap—breakwater reinforcement, $34,000.
Essential undertakings—
Anse au Griffons (river)—improvements to jetties, $12,000.
Anse aux Griffons—to complete wharf improvements, $1,400.
Baie Ste. Catherine—wharf improvement, $10,200.
Bonaventure—widening wharf, $4,600.
Grande Anse—wharf, $5,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $300,000.

Mr. MERCIER (St. Henri): What work is to be done at Matane? Is that a new wharf or what is it?

Mr. STEWART (Leeds): This is to complete harbour repairs now under contract and to drive forty-five feet of sheet piling along a 160 foot section of the wharf.

Mr. MERCIER (St. Henri): Is it an addition to the wharf?

Mr. STEWART (Leeds): It is only a repair.

Sir EUGENE FISET: When this item was being considered previously the minister agreed to furnish me with certain information. I asked if the contract for the repairs to the Rimouski wharf had been completed and whether it was intended that further repairs, which are badly needed, would be gone on with this year.

Mr. STEWART (Leeds): The contract has not been completed; $13,000 is to be expended next year, and I suppose my hon. friend suggests that we might continue the work and expend a little more.

Sir EUGENE FISET: I have no doubt the minister has received such numerous requests from the local people and from the engineer in charge that I have no fear but that he will have to go on with the work.

Item agreed to.

[Mr. H. A. Stewart.]

Saskatchewan, Alberta and Northwest Territories—harbours and rivers generally—for maintenance of services, no new works to be undertaken, $10,000.

Mr. GARDINER: How much was spent in these provinces last year?

Mr. STEWART (Leeds): Up to January 31, $2,001.11. I have not the details of that small item.

Mr. KENNEDY (Peace River): Will some of this money be used to clear the waterways up towards Great Bear lake?

Mr. STEWART (Leeds): Under roads and bridges we have a special item for Great Bear lake. I cannot say where this money will be applied.

Mr. McINTOSH: Will the minister explain where this $10,000 is to be spent?

Mr. STEWART (Leeds): The note I have is that this general appropriation is required to provide for the maintenance and repair of existing harbour and river facilities in the provinces of Saskatchewan and Alberta and the Northwest Territories.

Mr. McINTOSH: Cannot the minister specify?

Mr. STEWART (Leeds): No; it is spent just as the need arises in these places. It is a very small vote, I am sure.

Mr. McINTOSH: I notice that under item No. 100, which we have considered, concerning public buildings and repairs for the province of Saskatchewan there is a vote of over $50,000, of which $30,000 is to be spent in Regina. The remainder of $22,500 is for the rest of the province. If I remember correctly very little of that money is to be spent in northern Saskatchewan, perhaps only a few dollars on improvements and repairs. Practically the whole amount is to be spent in Regina city. To me that looks rather peculiar. Regina city is represented in this house by a government supporter.

Mr. STEWART (Leeds): I think there are some large buildings in Regina too.

Mr. McINTOSH: Now we come to this item for harbours and rivers, and find that there is a vote of only $10,000 for Saskatchewan, Alberta and the Northwest Territories. If we take the amounts to be spent on harbours and rivers in the eastern provinces and compare them with the amounts to be spent in the western provinces we find that while the figure for the east is about $400,000, that for the west is only about $145,000. In other words the east is getting about two dollars to our one. Out of the $145,000 the provinces of Saskatchewan and Alberta and the Northwest Territories are getting only

$10,000. May I ask the minister how much of this $10,000 is to be spent in northern Saskatchewan. We would not expect any of it to be spent in the south or centre, because we have no harbours or rivers in the centre, and none of consequence in the south. But what about the north? I know the minister knows all about the river and lake system of northern Saskatchewan. How much money are we spending on it?

Mr. STEWART (Leeds): As I have already pointed out to the committee this is a general vote to be expended where conditions are such that expenditures must be made. If there are any harbours or rivers in northern Saskatchewan which require expenditures we will have to consider the matter and act accordingly.

Mr. McINTOSH: I hope the minister will do that. Perhaps the minister will remember that I drew his attention last year to an important work, when the votes for harbours and rivers were before the committee. On that occasion I drew his attention to the fact that on the Beaver river, one hundred and fifty miles north of North Battleford there are serious rapids, and that these rapids ought to be cleared of the rocks before navigation can be complete from the Beaver river up to the deepwater system of northern Saskatchewan. I drew his attention also to the fact that a sum of $4,000 or $5,000 had been spent by the late government in clearing out these rocks, and the minister said that he would give the matter his consideration. If I remember correctly, after parliament prorogued a letter came from the department saying that the engineer had looked into the situation and had reported that the matter was not very urgent. That is something like taking the matter into consideration. It is a very easy way of getting over it and, of course last year not a dollar was spent. The rocks and rapids are still there and are still an obstacle to the thousands of settlers and tourists, hunters and miners going from the south to the north. May I ask the minister if at this time he has anything of a more definite nature to say with regard to doing some constructive work on these rapids in the present year? Has the matter received any consideration whatever?

Mr. STEWART (Leeds): I am inclined to think the item to which my hon. friend refers is one of those which fell by the wayside in order to arrive at the $14,000,000 reduction promised by the Minister of Finance, and I do not know that conditions have changed. It is possible we may be able to do something this year.

Mr. McINTOSH: Mr. Chairman, the minister appears to have the idea that there are no rivers, harbours or lakes of any account in northern Saskatchewan. That gives me an opportunity, perhaps a brief one, to call the attention of the committee to the fact that that is an erroneous conception of the water system of northern Saskatchewan. The time is coming when some money will have to be spent.

Mr. GOTT: For canoes?

Mr. McINTOSH: If we take you along we will have to have more than a canoe.

Mr. GOTT: I will go along.

Mr. McINTOSH: The time is coming when more money ought to be spent in clearing the Beaver river rapids of rocks, in order to have a waterway into that northern area. May I say that we now have a first class provincial highway from North Battleford to Meadow Lake, a distance of slightly over one hundred miles. It is one of the best provincial highways in the province. And then from Meadow Lake to Green Lake, another distance of forty-five to fifty miles the highway is not as good. But when we come to Green Lake we come in contact with the river and lake system of northwestern Saskatchewan. As we leave Beaver Lake and follow the Beaver river down to deep water we come in contact with the Beaver river rapids. As I said, there was an expenditure of about $4,000 made in an effort to clear the rapids. Perhaps another $4,000 or $5,000 would completely clear the Beaver river of the rocks I have mentioned. I think that ought to be done. It is not as though a big expenditure was involved, and it will be money well spent. The point I wish to explain is that the playground of western Canada is in northern Alberta, northern Manitoba and northern Saskatchewan. Northwestern Saskatchewan is part of that playground, and when one goes into that new land and sees for himself at first hand he will understand that it is a very favourable part. For instance, from Green Lake to Dore, the point at which deep water begins, is a distance of about fifty miles. There is now a rough motor road constructed from Green lake to deep water at Dore. That means there is a motor road from North Battleford to Meadow Lake, a distance of over one hundred miles, and from Meadow Lake to Green Lake, and from Green Lake to the foot of the deep water,—practically another one hundred miles. And it is possible now to go by water from North Battleford to deep water in a very short time. After getting into deep water one comes into contact with the Beaver river in earnest. It is a magnificent river, in some places as wide as the St. Lawrence, and from fifty-five to seventy-five feet deep. It flows into the river Churchill as do Reindeer Lake, lake Athabaska

and Peter Pond Lake all of which of course are connected with lake Churchill, other northern lakes, and Churchill harbour. Into that new land thousands of settlers, miners, tourists and other people are continually coming in the spring, summer and autumn months. The amount of freight going up and down the Beaver river and into lake Churchill and further north and east and west is surprising. As a land for tourists it is indeed hard to surpass.

As this item was before the house I thought it my duty to draw attention to the fine fishing, farming, lumbering and mining potentialities of that great area. If the Beaver river rapids were cleared at the expenditure of a small amount of money the people living in southern Saskatchewan, Alberta, and for that matter Manitoba, who wanted to go north would be able to go north to investigate and get information of that northern area firsthand. They could get to that tourist area cheaper than to many other parts of the dominion. I shall not take up any more of the time of the house but I wanted to bring these facts to the attention of the minister and of the house. I trust the day is not far distant when at the expenditure of a small amount of money these rapids will be cleared. It will be money well spent because it will make more effective a 200 mile motor road, from North Battleford through Meadow Lake and Green Lake to Dore, and thus be instrumental in opening up a lake and river channel three or four hundred miles north of North Battleford extending into the northern hinterland, where there are bound to be great developments in the future.

Mr. STEWART (Leeds): Thank you.

Item agreed to.

Graving docks—
Champlain graving dock, $65,000.
Esquimalt graving docks, $80,000.
Lorne graving dock, $36,000.
Selkirk—repair slip, $3,000.

Mr. REID: Has the minister any information as to the number of ships and the names of the companies using the Esquimalt graving dock last year?

Mr. STEWART (Leeds): This is to provide for the staff, supplies and replacements in connection with the operation of the dock. I have not a report for the current year, but repairs and improvements for 1932-33 amounted to $7,300. I shall be glad to get the information my hon. friend desires as to the number of ships and the companies using the dock and send it to him by letter, if that will satisfy him.

Mr. REID: Yes, thank you.

[Mr. McIntosh.]

Item agreed to.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT moved the adjournment of the house.

He said: There are second readings standing which it might not be convenient for the opposition to take to-morrow. The Bank Act they would probaly prefer to take at a later date than to-morrow. However, it is printed in English and French and will be ready for second reading, also the bill respecting the central bank, and if hon. gentlemen opposite are willing to proceed with those we shall proceed with either one or the other or both, as my right hon. friend thinks desirable. Then we shall take supply—Railways, Trade and Commerce, Justice. I think perhaps it is not necessary to mention any other department from what I know of the ability of hon. gentlemen opposite to engage the attention of the house. I think that will be sufficient for the day.

Mr. MACKENZIE KING: We have every desire to expedite the two banking measures, but as my right hon. friend knows, each of them is a long one and I doubt if any hon. members have had time thus far even to look at them. I think it would be desirable to let them stand until Tuesday. Apart from that, I think the other business my right hon. friend mentioned might be proceeded with.

Mr. BENNETT: On Tuesday it is desirable that precedence should perhaps be given to the Translation Bureau bill. As the hon. Secretary of State mentioned to-day there are gentlemen who desire to participate in that discussion, and I think it should be taken on Tuesday. That was the reason he mentioned it. Then after that we will proceed with the banking measures.

Motion agreed to and the house adjourned at 10.55 p.m.

Friday, February 23, 1934

The house met at three o'clock.

CIVIL SERVICE

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO ADMINISTRATION AND OPERATION OF CIVIL SERVICE ACT

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

That Messieurs Bowman, Chevrier, Ernst, Laurin, Lawson, MacInnis and Pouliot be con-

stituted a select special committee of this house pursuant to a motion adopted on the 16th day of February, 1934, to inquire into and report upon the administration and operations of the Civil Service Act as amended, with power to send for persons, papers and records, and to examine witnesses, and to report from time to time to this house.

Motion agreed to.

ROYAL CANADIAN MOUNTED POLICE

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That, it is expedient to amend the Royal Canadian Mounted Police Act to provide for the appointment of detective inspectors, sub-inspectors and assistant veterinary surgeons, and the personnel of the marine section, and to provide for pensions to widows and allowances to children of officers and constables who may be killed while in the performance of duty, and to make further provisions respecting the counting of service of officers and constables with any provincial police force for purposes of pension, and in regard to the duties and offences of the members of the force.

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

Motion agreed to.

RAYON YARN DUTY

On the orders of the day:

Hon. R. C. MATTHEWS (Minister of National Revenue): Yesterday the hon. member for Weyburn (Mr. Young) asked a question based on a report appearing in a Toronto evening paper which he read as follows:

Toronto importers were startled yesterday to learn that Courtaulds (Canada) Limited, had applied to the customs house here for a rebate of the duty on two large shipments of rayon yarn on the grounds that these shipments had been specifically exempted by order in council.

The hon. gentleman's question was:

I would like to ask the minister if any such order in council was issued, and if so what was the amount of the rebates, and why were they granted?

My information is that no order in council has been passed respecting rayon yarns imported by Courtaulds (Canada) Limited and no rebates have been paid them on their importations of such materials.

WHEAT AGREEMENT

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I should like to direct a question to the Prime Minister. In the Winnipeg Free Press of February 21, Mr. M. A. MacPherson, Attorney General of Saskatchewan, and a gentleman who along with the Prime Minister signed the international wheat agreement, is reported as follows:

The computation of yield as between the exporting countries, signatory to the international wheat agreement, was always on a ten-year average.

I have in my hand a copy of the agreement itself and it distinctly states that the computation shall be on a three-year average. The difference between these two methods of computing the average yield would amount to about 100,000,000 bushels in our quota. I would like to ask the Prime Minister which of these two statements is correct?

Right Hon. R. B. BENNETT (Prime Minister): I shall read the hon. gentleman's question in order that there may be no misunderstanding of it. My memory is that the acreage was computed on a three year basis, and the yield per acre on a ten year basis, by the statisticians when the quota was being arrived at. I speak subject to correction; that is my memory, but I will look through the papers carefully and give an answer on Monday.

CANADIAN NATIONAL RAILWAYS

INQUIRY CONCERNING RETIREMENT OF ELECTRIC RAILWAY BONDS

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, a couple of days ago the hon. member for North Grey (Mr. Porteous) asked me a question with respect to the proposed retirement of the Toronto Suburban Railway Company's 4½ per cent debenture stock. I made inquiry of the management of the railway, and they point out that the position is that an agreement has been reached with the British Empire Trust Company, acting on behalf of the holders, for the purchase of the stock by the Canadian National Railways on a basis of 25 per cent of the par value. The arrangement is subject to the necessary financial provision being made in the parliamentary budget of this year.

AGRICULTURAL CREDITS

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): I would like to ask a question of the Minister of Finance (Mr. Rhodes). In view of the fact that legislation for the revision of the Bank Act and the establishment of a central bank has been introduced, can the minister

give any information as to whether legislation in regard to agricultural credits will be presented shortly, in order to give farmers the opportunity to avail themselves of its provisions this spring?

Hon. EDGAR N. RHODES (Minister of Finance): Mr. Speaker, the matter is under consideration. No announcement can be made at this stage.

UNEMPLOYMENT RELIEF

PROPOSED STOPPAGE OF RELIEF TO STRIKING BUSH WORKERS

On the orders of the day:

Mr. J. A. BRADETTE (Timiskaming North): Mr. Speaker, I beg to make a request of the Minister of Labour (Mr. Gordon). I received information this morning from Chapleau to the effect that the strikers in that locality who have been maintained on relief by cooperation of the provincial and federal governments have been told that the relief will be stopped on Saturday. As there are still a certain number of strikers in that locality I ask the minister to use his influence to ensure the continuance of the relief for at least some time.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, the strike at Chapleau among some of the bush workers as far as my information goes has been organized through a branch of what is known as the Canadian Labour Defence League. I believe the locally active men are Minster, Vatchuk and Soula. I may be wrong about that, but that is my information. Efforts have been made from time to time by the Labour department under the Conciliation Act to get the employers and employees together, but we have found that where a strike is promoted under the auspices of the organization I have mentioned there has always been a studied attempt to keep the employers and employees apart, rendering impossible the application of the provisions of the Conciliation Act.

With respect to the strikers to whom the hon. member for North Timiskaming (Mr. Bradette) has referred, I have no specific information, but I would point out that the administration of relief is entirely in the hands of the provincial authorities, and if they believe for any reason that satisfies them that these men should not under the existing circumstances be kept on relief at the expense of their fellow-taxpayers I do not propose to interfere with their judgment.

Some hon. MEMBERS: Hear, hear.

[Mr. Beaubien.]

HAVRE ST. PIERRE ICE CONDITIONS

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, on Friday last, February 16, the hon. member for Charlevoix-Saguenay (Mr. Casgrain) drew my attention to a telegram which he had just received from the mayor of Havre St. Pierre with reference to the isolation of this municipality owing to an ice blockade and the shortage of food which resulted. I then stated that I would immediately look into the matter. I wish to inform the house that on the very same day we received a similar dispatch and, since then, we have been in communication with the parties and companies concerned. This morning we were in a position to wire the mayor of Havre St. Pierre, as follows:

If you wish to order the provisions required, so that they may be placed on board the ice-breaker Mikula, at present in the harbour at Louisbourg, Nova Scotia, they will be transported to Havre St. Pierre. Make an immediate decision because the Mikula will leave in a few days.

We have also received a communication from Mr. Clarke, of the Clarke Steamship Company, stating that the latter would also dispatch the very next morning, a vessel, the Sable Isle, in order to relieve the people of that municipality. I wish to state that the Mikula will arrive at about the same time as the Sable Isle and will open a way to the wharf of Havre St. Pierre, for this vessel.

DESTRUCTION OF SALMON

On the orders of the day:

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): Mr. Speaker, the other day the hon. member for Comox-Alberni (Mr. Neill) drew my attention to an article in a paper called The Commonwealth published in Vancouver, to the effect that good edible salmon was taken to sea by the steamship Malaspina and dumped. The report I have from my officers states that:

This salmon was pink canned salmon that had been found by the inspection board as unfit for food. Under the law, canned salmon that is found by the board not to be sound, wholesome and fit for human food must be confiscated and destroyed or used by the fisheries department for purposes other than human food. This last provision was inserted in the regulations to enable the department to use, up to its requirements, such confiscated salmon for fish food at the fish hatchery ponds. The quantity confiscated was largely more than was needed for this purpose and so to save storage charges it was destroyed in the cheapest possible way, that of taking it to sea and dumping it. The total quantity dumped was 1,215 cases, the total quantity confiscated to date as unfit for food is 2,714 cases.

HUDSON BAY ROUTE

HIGH COST OF INSURANCE AND FOOD SUPPLIES FOR SHIPS

On the orders of the day:

Mr. J. L. BOWMAN (Dauphin): I would like to call the attention of the Minister of Railways and Canals (Mr. Manion) to an editorial appearing in the Winnipeg Free Press of February 21, under the caption Why Bay Rates are High. This editorial refers particularly to the high insurance rates and the high cost of food supply for the ships. Would the minister care to make a statement in regard to these two items.

Hon. R. J. MANION (Minister of Railways and Canals): I expect to be going on with my estimates shortly, and if my hon. friend will bring up the matter then I will gladly deal with it.

SOLDIER SETTLEMENT BOARD

APPLICATION OF REMEDIAL LEGISLATION TO SOLDIER SETTLERS

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I wish to direct a question to the hon. Minister of Immigration and Colonization (Mr. Gordon). Has the government under consideration and does it contemplate bringing before parliament at this session any measure further to alleviate the serious conditions affecting soldier settlers, throughout the dominion, especially those of the three western provinces?

Hon. W. A. GORDON (Acting Minister of Colonization): Mr. Speaker, it will be remembered that at the last session of parliament remedial legislation was introduced by myself and approved by this house. That legislation was not introduced without most careful investigation by those charged with authority of directing the soldier settlement board. From the best information I had at that time it appeared that the legislation then introduced was deemed to be sufficiently remedial, as far as the soldier settlers are concerned, to take care of their difficulties.

Of course I have had, and I presume every minister administering that department since it was set up has had, from time to time requests and demands from individuals and organizations, some representative and some not, with respect to further consideration that the government might give to the soldier settlers. At the present time I have not under consideration any further remedial legislation.

CANADIAN NATIONAL RAILWAYS

BILL TO AUTHORIZE THE APPOINTMENT OF AUDITORS

Hon. R. J. MANION (Minister of Railways and Canals) moved the third reading of Bill No. 17, respecting the appointment of auditors for national railways.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should not like to have third reading given this bill without again protesting against the enactment of an act of parliament simply to appoint for one year a firm of auditors, on whom all parties in the house are agreed. I will not go into the reasons which I mentioned yesterday as to why I think this matter should be kept in the hands of the House of Commons, but I should like to say that an act of parliament is a matter of some importance, and generally a matter to which a good deal of significance is attached. It does seem a bit of an absurdity to necessitate the passage of a bill through all the stages in both houses of parliament and the obtaining of the royal assent simply to make the appointment of a firm of auditors for one year. I think one has only to mention the fact to show how ridiculous this method of procedure is.

Mr. MANION: As we dealt with the matter rather fully yesterday, when my reply was given to the right hon. gentleman, I shall not delay the house at the present moment.

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

MEAT AND CANNED FOODS ACT

CONFISCATION OF CANNED FISH BEARING FALSE OR MISLEADING LABELS

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved the second reading of Bill No. 6, to amend the Meat and Canned Foods Act.

Mr. A. W. NEILL (Comox-Alberni): I have no objection to going on with this bill at the moment, but I should like to register a mild protest at the system, from which we suffered last session and which is beginning to be put in practice again this year, of not adhering to the program announced the night before. We were not told last night that we would be going on with this bill to-day.

Mr. BENNETT: Yes, we were.

Mr. NEILL: I have no objection to going on with it, but it would be very convenient

if the government would adhere more strictly to the program announced the night before.

I was going to ask the minister—and this might save me from giving my views on the bill at the moment—if he could not see his way clear to let this bill go to the committee on fisheries. It is not so simple as appears on the face of it; it would save a great deal of discussion in the house, and I am sure we could readily settle the matter if it were allowed to go to the committee. Could the minister do that?

Mr. DURANLEAU: I do not think the bill is so important that we should convene the committee in order to study it. This amendment is not of very great importance; we are only asking to be allowed to interfere with the export of canned goods labelled wrongly or falsely. That is all. I think if my hon. friend will study the bill he will come to that conclusion.

Mr. NEILL: It is the fact that I have studied the bill that leads me to ask that it be sent to the committee. Things are not always what they seem. I do not know whether that is Shakespeare or scripture, but it is so. The minister takes the bill as it is handed to him and makes the best presentation he can, but as a matter of fact there is a great deal more to it than he indicated when he was introducing it. I should like to point out—

Mr. SPEAKER: If the hon. member will wait until the bill goes into committee he can speak on it at length. He has already spoken on the second reading.

Mr. NEILL: No, I only sat down to allow the minister to speak. I appeal to the minister if that is not so.

Mr. SPEAKER: The hon. member is out of order in speaking again on the second reading.

Mr. NEILL: I submit, sir, that the minister interrupted me and in courtesy I sat down to let him answer the question I had asked.

Mr. SPEAKER: And having finished his remarks and sat down, the hon. member concluded his speech. If the hon. gentleman wishes to cross-examine the minister or ask questions he can do so in committee, but not at this stage.

Mr. NEILL: I was within my rights, sir, in sitting down when the minister arose. I am in the judgment of the house; I appeal to the minister himself, or to any other hon. member. What was I to do when he rose; was I to stand? That is against the rules. I asked the minister a question, and he courteously rose to reply. I submit, sir, that this does not deprive me of my right to speak on the second reading.

Mr. SPEAKER: Strictly speaking, the hon. member has exhausted his right to speak, but with—

Mr. NEILL: Then I appeal from your decision, sir; it is too rank for anything.

Mr. SPEAKER: I say that with the consent of the house I am prepared to allow the hon. member to go on.

Mr. NEILL: I thank you, sir. This bill, apart from the ostensible reason for its introduction, really goes further and introduces some rather extraordinary powers. In introducing the bill the minister said that its purpose was merely to prevent the export of canned fish falsely labelled or marked, but the bill goes further than that. I will quote the old section, to which the minister takes objection:

> Any can of fish or shellfish not labelled or marked in accordance with the provisions of this act or of the regulations—

These are the words to which the minister particularly objects:

> —before being offered or exposed for sale by retail.

Then the section goes on:

> —shall be forfeited to His Majesty, and may be seized by any inspector, or by any customs, excise or police officer, or by any constable.

The words to which he objects are those limiting the interference to the period before the goods are offered or exposed for sale by retail. If that is the only purpose of the bill, why not simply strike out those words and let it go at that; so far as I am concerned that would be the end of it. In his remarks, however, and in the explanation given in the bill, the minister goes on to say:

> Under this provision, even if cans are wrongly labelled, they cannot be interferred with until they are offered for sale in a retail way.

That is true under this particular section, but it is not true in a general way, as I will show later on; there are other sections that deal with that point. In addition, this bill goes further than the original act in two respects. In the first place it takes in any other offence, since it says:

> —and not in accordance with the provisions of this act or of the regulations made thereunder—

That opens up a wide field; you might have a man punished under two sections, first under this section and then under some other section to which it refers more specifically. My second objection, and it is a very substantial one, is that this changes the act in a manner not hinted at and quite unnecessary. Under the old section, if the can did not comply with the act it might be seized by any inspector or any customs or police officer, and presumably the process of confiscation would have to be carried out before some court of competent jurisdiction. Now they have gone a great deal further; these cans are to be confiscated on sight by any inspector or any customs, excise or police officer, or by any constable. There is a great difference. In one case the police officer or inspector can seize it but he cannot confiscate it. Under the new section, which is sort of dragged in—I am sure the minister does not appreciate the meaning of it—the cans may be confiscated on view by any inspector.

What is meant by an inspector? According to the definition, an inspector is an inspector appointed under this act, or a police constable. That does not mean a civil servant; it may mean a political appointee, and the same thing in the case of a police constable. In British Columbia we have a very fine police system, but in some places police are appointed by political influence. Certainly in this instance the inspector is so appointed. Who is the inspector, anyhow, under the act? His duty is to deal with abattoirs for the most part, and that does not make him an expert in the labelling of canned salmon. The point I am trying to make is that it is improper to allow a political appointee to have the power, the enormous power, of confiscating and condemning on view, and on no say-so but his own, perhaps a thousand dollars worth of canned salmon. Hon. members know the type of man some political appointees are, and I say that is altogether too much power to put into their hands. That some such idea was in the minds of the people who drew up this bill is evident from the fact that they put the following words in the section:

> Provided that persons aggrieved by any such confiscation may appeal by petition to the minister, who may remit the confiscation on such terms and conditions as he may prescribe.

Quite so. What does that mean? It means that a man who has had his stuff confiscated on view by this constable or inspector has the right of appeal to the minister, and he can look to the minister for help. Does the minister want that? Does he want to be made the final court of appeal in cases like that? In many cases it will be shown that the seizures and confiscations by the local inspectors are so unjust that the minister will be compelled, in the exercise of his judgment, to remit the whole confiscation. What will be the result? There will be, immediately a political howl to say that he was acting under political influence, and that that was his sole reason for so acting. Does he wish to be put in that position? I am sure he does not. It might be quite wrong to say that he was influenced, but it would be said, nevertheless. That shows the drawers of the bill had the idea that they were demanding far too much when they stipulated that a man with no knowledge of law, or even of the subject under discussion, could condemn and confiscate without appeal, except of a political character, to the minister.

Then there is one further point I wish to make, and it is this, that the penalties are far too severe. The penalty does not apply only to this section but applies to the whole act. In the act are forty-eight sections. It is complicated, and in connection with it there are fifteen pages of complicated regulations. Under any one of these sections, and perhaps for an offence of only a trivial character, a man might have his stuff confiscated. May I repeat that confiscation may result from a very, very trivial offence. For instance, if the article is not labelled properly, an offence would be committed. Suppose the wretched cannery man spells the word "Canada" without one of the letters "a". In that respect he would not be complying with the act and would be liable, upon the activity of some maliciously inclined person who wished strictly to adhere to the regulations, to confiscation. Some hon. members may say that I have given a ridiculous example, and that such a thing would never happen. May I remind my hon. friends however that sometimes queer things do happen. I recall on one occasion being in court and seeing a man applying for naturalization. His application was thrown out, causing him much expense, and he was told to come back three months later. Why? Because the judge said that the affidavit had been sworn at such and such a place in "B.C.", and he did not know what "B.C." stood for. So far as he was concerned he said it might stand for "Before Christ," and for that reason he threw out the application. May I point out that the applicant had used a printed form in common use.

Turning again to the severity of the penalty, may I say that confiscation for what might turn out to be a petty offence is much too severe. The time of imposing a huge penalty for a minor offence has gone by and it never did work very successfully. We can remem-

ber when they used to hang little children for stealing a loaf of bread, but that sort of punishment did not work, and was not just.

Coming nearer home may I say that I remember an instance in British Columbia—and perhaps the British Columbia members will recall it—which I might bring to the attention of the house. There is a practice in that province called pit lamping, and it was becoming a considerable nuisance. Legislation was passed stating that an offender would go to gaol for not less than a month nor more than six months for the first offence. The intention was to stamp out pit lamping in the real Turkish style. What happened? The local justices of the peace, magistrates and judges were not going to see a decent man sent to gaol for a trivial offence, and the result was that they accepted the most ridiculous defences rather than send offenders to gaol. The legislation did not work out as it was expected.

I may say that often the penalties are too severe in these small pieces of legislation. The minister has stated that this is a matter of no great importance. Had it been a big bill the leader of the opposition would have given it a hair combing and the legal men on both sides of the house would have spoken. I must say however that in these small pieces of legislation the officials run away with themselves, impose the most drastic penalties and it slips through the house without being noticed.

One final objection I have is that this legislation is not needed at all. In the explanation it is stated that the legislation is necessary to prevent incorrect labelling, but they go on to say the following:

> While section 19 of this act makes it illegal to place any false or misleading mark on a can of fish or shellfish, the only penalty involved is a fine; but in order to protect the industry it is necessary to prevent wrongly labelled goods being sold either in the local or foreign markets.

And so on. From this it would seem they want a penalty greater than a fine. But what is the fine? Let us turn to section 44 of the act, which is as follows:

> Every person who violates any provision of this act, or of any regulation made by the governor in council or by the minister under the authority of this act in respect to which no penalty is hereinbefore provided, shall for every such offence, incur a penalty not exceeding five hundred dollars.

So that from a violation of section 19 of the act he is liable to a fine of $500 and, may I say, $500 is a substantial fine for wrong marking. Five hundred dollars is a lot of money. The maximum fine for common assault is $20. You could assault your mother-in-law and get away with a $20 fine, and you could assault her twenty-five times for the same money you would have to pay for the offence of putting a wrong label on your product. Or, conversely you could assault twenty-five mothers-in-law for the same price.

Then there is a penalty for contravention of section 37, which is as follows:

> No article subject to inspection under this act shall be offered or sold for export or import, or exported or imported, under any name intended or calculated to deceive as to its true nature.

Then, it goes on along the same line. Turning to section 31 we find:

> No person shall offer or expose or have in his possession for sale any article subject to inspection under this act unless all the requirements thereof respecting the said article have been complied with.

A breach of any of these sections is punishable by a fine of $500.

Mr. DURANLEAU: That does not apply to falsely labelled canned goods.

Mr. NEILL: The section states:

> No person shall offer or expose or have in his possession for sale any article subject to inspection under this act—

That applies to canned goods. Then the section concludes:

> —unless all the requirements thereof respecting the said article have been complied with.

Now, under section 44 as I have stated an offender is liable to a fine of $500. The explanation in the act says that it is only a fine. Well, that is a careless explanation, and it is careless legislation. I shall show it is not only a fine. There is a liability to imprisonment, and I shall show how. True, section 44 provides for only a fine, and does not stipulate any imprisonment, but let me quote section 48:

> Every penalty imposed by this act shall be recoverable with costs before any two justices of the peace or any magistrate having the powers of two justices of the peace under the provisions of the criminal code relating to summary convictions.

I shall not take time to turn up the section as the minister can do it for himself, but under section 739 of the criminal code, chapter 36 of the statutes of 1927, gaol is provided. It specifically says that in a case where the act provides a penalty of fine and no imprisonment, in the event of the fine not being paid, imprisonment can be imposed. So we have the complete picture. Under one of these other sections a man can be sentenced

to pay a fine of $500 or go to gaol. I suggest that what should be done is to leave out entirely this confiscation business because they are already liable to a heavy fine and to gaol. Is not that enough?

Further, I object because it applies not only to the section which the minister was told it refers to but to the whole act and amendments. The matter is covered in other sections anyhow. I do not think that the act as drawn is drawn correctly or drawn in a necessary way. No one realizes better than I do the need for having strict regulations to prevent the false labelling of salmon. That is perfectly right and proper. But just because there is need for doing something desirable, there is no need for doing something that is unjust and unreasonable and imposing restrictions upon the industry generally. The cannery owners are having a hard time, as the Minister of Trade and Commerce (Mr. Stevens) said the other day, and while it is the duty of the government to see that the law is complied with, it is no part of its duty to impose unjust restrictions and penalties. It is all very well to say that these officers will use common sense in their judgments. We do not know whether they will or not, and we must protect the cannery man in the due exercise of his business. If the minister had allowed this bill to go to the committee it could have been amended along lines which he and his officers would have approved. My objections are reasonable and would have been paid attention to.

I come back again to what I said before. We are passing a law by which any politically appointed constable or inspector can condemn a whole lot of salmon just because of some trivial thing, and the owner has no redress except to apply to the minister, who would very soon get tired of exercising his judgment. It is not fair to the industry or to the minister. It would be all right to have it so that the constable could seize the salmon on sight and go before some court before which the minister and the accused would be entitled to appear. Even a spy in time of war is allowed a trial. This offender is not allowed any trial at all. The constable can confiscate on sight.

Mr. BENNETT: There is just one matter to which I desire to draw attention. It was complained by the hon. member for Comox-Alberni (Mr. Neill) that we were going on with business that we had not indicated. Last evening I said that there were "second readings standing which it might not be convenient for the opposition to take to-morrow." The leader of the opposition said in reply, referring to the two banking measures, "I think it would be desirable to let them stand until Tuesday. Apart from that, I think the other business my right hon. friend mentioned might be proceeded with," and we are proceeding accordingly.

Mr. NEILL: I took it to read that when the Prime Minister said "There are second readings standing," he was referring to the banking measures, not other second readings.

Mr. BENNETT: And my right hon. friend said that apart from them it was convenient.

Mr. NEILL: No, he did not say it was convenient to take the other second readings.

Mr. BENNETT: All you have to do is read what he said, at page 870 of Hansard, namely, "Apart from that, I think the other business my right hon. friend mentioned might be proceeded with."

Mr. NEILL: If I am wrong I apologize, but I think the Prime Minister will admit that it is not very clear—is it?

Mr. BENNETT: It seemed to have been so clear that the hon. gentleman provided himself with the necessary material for an excellent speech.

Mr. NEILL: Knowing the government as I do, I am always ready.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Stirling in the chair.

On section 1—When liable to seizure.

Mr. NEILL: Just to test the thing, I move, Mr. Chairman, to amend section 1 by striking out in line 11 the word "shall" and substituting therefor the word "may", and striking out all the words after the word "seized" in line 12 and substituting therefor the following:

> and may be confiscated on order of any two justices of the peace or any magistrate having the powers of two justices of the peace under the provisions of the criminal code relating to summary convictions.

The effect of that would be that the fish could be seized by the constable and later confiscated by a summary court of two justices of the peace or a stipendiary magistrate or any magistrate having the powers of two justices of the peace. If the minister would take the trouble to look into it, possibly postponing consideration of the bill for the purpose, I think he would see that that would fully meet the objections that he has in mind.

Mr. RALSTON: I hope that the minister will seriously consider the amendment which has been suggested by the hon. member for Comox-Alberni (Mr. Neill). If I had been doing it, I would have gone further than the hon. member for Comox-Alberni. I share with him the view that we are going altogether too far in the way of putting in the hands of officers who are not judicial officers at all the right practically to convict absolutely innocent persons without a hearing of any kind, and not only convict them, but confiscate their property as well. I know that the minister is not doing this intentionally to irritate people, but I assure him that it will be a source of irritation. You have inspectors, constables, customs, excise and police officers, any one of whom may walk into a man's warehouse and seize goods not simply because they bear a false or misleading mark but even a mark which is incorrect. Suppose it is a can of clams, labelled "Port Hebert clams" and it should be labelled "Clark's Harbour clams." That could be confiscated. The mistake might have been perfectly innocent and the public would not be hurt in the slightest. I submit that we are going a long distance in the way of giving officers so much power without any judicial intervention whatsoever. If a man commits murder, you have to seize him and bring him before a court to convict him, but if a man uses a wrong label on a can of salmon or fish of any kind his goods are liable to immediate confiscation by any one of the officers mentioned in the act. I submit that the minister ought to give the committee very strong reasons for imposing upon these people a liability which is not imposed upon the general community with regard to offences against statutory provisions. The minister is a lawyer of distinction and I do not believe that he himself will be keen to introduce this anomaly in the administration of penal statutes.

Mr. STEVENS: My hon. friend who has just spoken (Mr. Ralston), says the minister is now seeking to impose this, what he calls, drastic penalty. May I point out to him that this provision has been in the act for nearly twenty years, for eighteen years at any rate, in a form which I think is even more drastic than the amendment which the minister is now offering.

Mr. RALSTON: Would the minister explain in what way?

Mr. STEVENS: I was just coming to that. It will be noted that the clause in the present act says:

[Mr. Neill.]

Any can of fish or shellfish not labelled or marked in accordance with the provisions of this act or of the regulations before being offered or exposed for sale by retail, shall be forfeited to His Majesty and may be seized by any inspector, or by any customs, excise or police officer, or by any constable.

On the other hand, the amendment provides:

Any can of fish or shellfish that bears any false or misleading mark or that is incorrectly labelled or marked and not in accordance with the provisions of this act or of the regulations made thereunder, shall be confiscated to His Majesty and may be seized and confiscated, on view, by any inspector, or by any customs, excise or police officer or by any constable, provided that persons aggrieved by any such confiscation may appeal by petition to the minister, who may remit the confiscation on such terms and conditions as he may prescribe.

They have the right of appeal to the minister in case they are aggrieved and to me the terms of seizure do not seem to be made any more arduous than they were before. I think it is only fair to point out that in his amendment the minister is not making the act more rigorous but is really providing a remedial measure.

Mr. RALSTON: I think the Minister of Trade and Commerce has missed the point which appears in the explanatory note on the next page. Whereas previously a seizure could be made if these goods were offered or exposed for sale, under this amendment a seizure can be made in a man's warehouse whether or not he intends to correct the label next day, to offer them for sale or to put them in other cans. They are subject to seizure if they are found on his premises regardless of whether they are being offered for sale or not. This is the first and a very important difference. It is extending a principle which I think the Minister of Trade and Commerce and the Minister of Fisheries (Mr. Duranleau) will agree should not be extended.

Secondly, as the hon. member for Comox-Alberni (Mr. Neill) points out, it is being made imperative that they "shall" be confiscated. This is a duty which devolves upon the officer the minute he sees a can which is incorrectly labelled. Previously they were subject to seizure if they were labelled not in accordance with the regulations but the government is going a step further; the head of the camel was well within the tent but he is now getting in his whole body. The amendment states that they "shall" be seized even though they are only "incorrectly" labelled. I submit that this extension is a serious one and is an inroad upon this industry. It will create a hardship and cause unnecessary irritation. If the

minister could give us instances where an amendment such as this were required and absolutely necessary, it would be a different thing but so far we have heard of none.

May I say a further word to the Minister of Trade and Commerce at the risk of being controversial? My hon. friend says that there is an appeal to the minister, but I quite understand that there would have been one in any case. I do not think it is suggested that should an officer seize goods wrongfully there would not be the right of appeal to the minister. I hope the Acting Minister of Fisheries will prove to be more tender hearted than his colleague the Minister of National Revenue (Mr. Matthews). Frequently appeals for redress have been made to that department in the case of improper decisions, but redress was not obtained. It is a long distance to Ottawa and once a seizure has been made by an officer it will prove difficult to have things made right. It means a report being made to the central bureau in the province, then a report to Ottawa and perhaps a batting back and forth between the minister and the officers in Halifax or the capital of the province in which the seizure was made. It would be a long time before the man would get back his goods.

Mr. ERNST: In the case of a wrongful seizure there would be a remedy through the civil courts.

Mr. RALSTON: My hon. friend is wrong about that. This amendment makes the seizure legal.

Mr. ERNST: The seizure is only legal where the articles are wrongfully marked.

Mr. RALSTON: My hon. friend has missed my point. The amendment covers incorrect markings even if they are only "incorrect." It may not be done knowingly or wilfully; it may not be put up for sale but the officer must confiscate and this amendment makes the seizure legal and there would be no redress through the civil courts.

Mr. STEVENS: May I interrupt to make an observation which I should have made before? My department does not administer this act but in the matter of internal and external trade we find instances cropping up where there is misrepresentation of goods. Those who are inclined to take advantage of the public frequently will adopt very clever and resourceful dodges by which to achieve their ends. In other words, rarely does the honest and straightforward business man find himself interfered with in a matter of this kind. The difficulty in the administration of such acts as this is to clothe the officer with sufficient power to administer the act. Quite frequently we are told that such and such a thing is not done but when we study the act in question we find it is impossible to make them do it. In a very little time I could give many illustrations. This is one of the reasons why the penalties in this type of act are apparently somewhat drastic. We must not pass legislation which is so weak that it cannot be enforced. The hon. member for Comox-Alberni certainly is not disinterested in the canned fish business and I do not think he would desire so to weaken the act that it would lend itself to abuse.

I shall give an illustration. Recently we were confronted with an instance where Canadian British Columbia salmon was offered for sale on a market abroad. This was described as British Columbia salmon but the labels had been made in a foreign country. They were so marked but in wrapping the can the label was turned over just sufficiently to cover up that mark. We were receiving preferential treatment in this particular market through treaty arrangements but we were told that while the fish might be a Canadian product, the wrapping was foreign and, therefore, we were not entitled to the lower rate of duty. We have had a lot of correspondence about this matter and have endeavoured to straighten it out. This is the sort of thing that might be done and there is a definite necessity of having an effective measure. I know the difficulties with which the minister is faced in administering an act of this kind.

Mr. RALSTON: The Minister of Trade and Commerce is very reasonable about the matter. I do not attribute to him or to the Minister of Fisheries the slightest intention of irritating anyone or unduly hampering the industry. But I am pointing out that in the matter of principle, the amendment is wrong. I really think it is wrong to give this right to officers to go around the country and make judicial decisions without a hearing or to convict without a trial. That is my first point. Inroads on this principle have been made from time to time. The former Minister of National Revenue (Mr. Ryckman) and I had considerable discussion in this house, either last year or the year before, with regard to the same thing. The hon. member for Comox-Alberni has said he is ready to accept the principle that that may be done, but that the amendment should read that way rather than it shall be done. The change he suggests would not weaken the amendment in the slightest. This amendment permits the possibility of the seizure of a

perfectly innocent article and the necessity of a man having to go to Ottawa for redress whereas, under the change suggested by the hon. member, the officer would have the discretion of saying on the spot, "No, this is a case where I will not make a seizure." That is, I understand, the suggestion of the hon. member for Comox-Alberni, and the Acting Minister of Fisheries, who is in charge of the bill, might well take the amendment into consideration.

Let me say one thing more. Perhaps it may be said that it has not much to do with this section, but in this connection I cannot help thinking of the incorrect statements that are made with regard to the issue of stocks and securities in this country with no provision for any officer to make a seizure or to take any summary remedy, although thousands of dollars are taken from people by misleading and incorrect statements and for their remedy they have to go to court, and hon. gentlemen know the long road people have to travel to get any redress in that way. When persons have to go to all that trouble and have no protection whatever; when the individual who attempts to practise that sort of thing on the public is let go scot-free; and when, if a person incorrectly labels a can of salmon, such goods are seized, there is discrimination, perhaps not intentional, but it is there, and I think we should pay greater attention to more weighty questions than this if we are really trying to provide summary remedies for some of the evils that beset this country.

Mr. BENNETT: The Security Frauds Prevention Act deals with the very matter to which the hon. member who has just taken his seat refers. When he says that there is no adequate punishment for those who make misstatements, perhaps he overlooks the fact that the law does the very thing that this measure contemplates: the authorities can raid a man's place, take his books, his papers, examine them all; unlock the door, breaking it if necessary, walk right in and take possession of everything. That is the law of this country in each of the nine provinces, the privy council having sustained the validity of the Alberta act and all the other provinces having passed similar legislation.

Mr. NEILL: What is the act?

Mr. BENNETT: The Security Frauds Prevention Act. The Mayland case went from the province of Alberta to the privy council as to whether it was an abuse of power to take away a man's papers in connection with stock promotion. I put to the hon. gentleman as well as to the hon. member for Comox-Alberni this situation: In this country we have been endeavouring to establish a reputation for our products. This has not been entirely easy for the reason that other people imitate them and give them a name that would seem to indicate that the products in question came from Canada when they actually did not. The most noteworthy example of this was in connection with our flour and the use of the name "No. I Manitoba hard." The second grievance was in connection with localities that developed a reputation for a particular product and a nearby locality—and when I say nearby, I mean within reason, having regard to distances in this country—put up the same sort of thing and put that name on it so that it might derive the benefit of the reputation enjoyed by the products of the first locality. During the war, for instance, it is alleged—I put it as mildly as that—that a certain quality of dogfish was put up in Nova Scotia and canned and labelled "Scotia Whitefish," being then sold in Spain. The result was that if you now tried to sell that sort of thing in Spain, you would not get very far with it. This did a great deal of injury to the business of Canada.

As regards clams, to which the hon. gentleman referred, there would be an offence only if it is alleged that something is other than what it is and the officer, if he finds that it is something other than what it is represented to be will destroy it. That has happened frequently. There is nothing new about the law; as a matter of fact it is very old. This is the right of an officer of the law who used to be called an officer of the peace, a peace officer. Under the old common law he had to destroy certain things. In this case we are introducing legislation that declares it an offence to endeavour to palm off something other than what it is in fraud of the legitimate and proper producer. That is what it is.

Mr. RALSTON: That is not it.

Mr. BENNETT: It is the marking on a box of something which declares the article within is something which it is not.

Mr. RALSTON: But not fraud.

Mr. BENNETT: Then we shall describe it as being eminently honest.

Mr. RALSTON: No.

Mr. BENNETT: Then what is it?

Mr. NEILL: An incorrect label.

Mr. BENNETT: An incorrect label placed there purposely.

Mr. NEILL: There might be a mistake.

Mr. BENNETT: It is one of those things in which there cannot be any mistake.

Mr. RALSTON: There is nothing in the statute about fraud.

Mr. BENNETT: My hon. friend knows it means that.

Mr. RALSTON: My right hon. friend knows better than that. He knows what it means.

Mr. BENNETT: I thank the hon. member. That is the usual assertion of the hon. gentleman as to what other people think. If he would confine himself to his own opinions it would be so much better.

Mr. McINTOSH: He does not need to come back any more.

Mr. BENNETT: I am sure the hon. member for Shelburne-Yarmouth must be helped by that observation.

This is an endeavour to prevent one class of commodity from being palmed off as something it is not. I admit that this is a very drastic provision, I recall the circumstance when the legislation was being considered and the officers who recommended it did so in the light of the experience they had had. It is so simple, so easy to allege that something is other than it is and this is an effort to stop that sort of thing. My gaze happens to be fixed upon the hon. member for St. Boniface (Mr. Howden) who is a member of the medical profession. He knows the difficulties they have had in connection with proprietary remedies, the passing of them off on the public and the laws they have had to resort to in order to prevent that from being done.

In this case we are speaking of a natural product. These are fish that have acquired certain reputations in certain localities, clams, lobsters, commodities of that kind; they come from certain localities and are known to be better if they come from there than if from elsewhere. If they are incorrectly labelled, this legislation confers upon the peace officer the right to destroy that which has been improperly labelled. That is all; it is drastic.

Mr. HANBURY: It requires him to do it; it does not merely permit him to do it.

Mr. BENNETT: It requires him to do it; it is part of his duty. In other words, if someone endeavours to palm off something as other than it is, he is required to destroy it. The word "incorrect" means just what it says—not correct, not true, therefore false.

Mr. NEILL: Not necessarily.

Mr. BENNETT: A false statement as to fish, resulting in the destruction of that which is falsely branded. That is the law which is proposed. If it is felt that this will work an injustice, I shall ask the minister to let the matter stand over until we can see the officials of the department who asked for this legislation, and secure the instances that have brought about the necessity for it, for no one desires to place upon the statute books cruel or unjust provisions, but in the last few years in particular we have learned that it is not in stock transactions, not in exploitation of the investing community, but in food and other products and in manufactured goods of all kinds that there has been a tendency for people to take advantage of the high reputation that certain products or commodities have secured in markets for their own advantage. This is an effort with respect to fish to stop this sort of thing, and the word "incorrect," I repeat, means just what it says—not correct and therefore false. That is the position.

Mr. RALSTON: That is not intent.

Mr. BENNETT: If by "fraud" we can understand the meaning given to it by courts of law, no one knows better than the hon. member himself how difficult it is in a court of law to establish that same thing.

Mr. HANBURY: To prove intent.

Mr. RALSTON: Or knowledge.

Mr. BENNETT: Well knowledge is another way of putting it, but incorrectness is the word. That is broad enough to make men realize that they must think before they put a brand upon anything they produce. I am bound to say that while I realize the drastic character of the penalty, unless we do something of this sort we cannot stop that practice. I am sorry to say it. Because it is so simple to do it. If those who have had more to do with the production of these things than I will look into it they will find what has happened in several cases in recent years. Very serious things have happened, that have hurt the reputation of this country abroad, made it difficult to sell our goods, I could give you case after case of various kinds of natural products, and this is the essence of it all, saying incorrectness does not mean fraud. Any brand that is put upon a box by a producer incorrectly may be taken to be fraudulent, there cannot be any accident in relation to that. That is why I suggest to the minister that to ascertain what the facts are he ask the officers who have had experience.

Mr. DUFF: Before the committee rises—I presume from what the Prime Minister said he is going to ask that the committee rise—I notice this clause which purports to repeal section 27 of the Meat and Canned Foods Act refers only to canned fish or shellfish. May I ask the minister if there are other clauses in the Meat and Canned Foods Act which use the same language with reference to other canned foods?

Perhaps while he is looking it up I may go on and say that as far as I am concerned, if all goods of this character, that are canned foods, are treated alike then perhaps we are on common ground. The Prime Minister has made a conclusive explanation, it may not be as bad as it appears, but certainly there is no reason in my mind why canned fish should be picked out and treated differently from other canned goods.

Mr. DURANLEAU: As the right hon. Prime Minister stated a few minutes ago, it is in the light of experience that we ascertained that section 27 is absolutely inadequate to maintain the reputation of our canned fish on foreign markets. We think that section 19, even with the fine imposed by section 44, is not sufficient to preserve the quality and reputation of our canned fish.

Mr. NEILL: Did you every try it?

Mr. DURANLEAU: We cannot interfere with canned goods wrongly labelled when sold for export.

Mr. NEILL: Under that section.

Mr. DURANLEAU: We can sue the party and have him fined to the extent of $500, but as stated by the hon. member for Comox-Alberni we cannot interfere with the sale and export of the goods. Experience has shown that section 27 was absolutely inadequate. We do not want to be too harsh on traders or canners, all we want is to protect the reputation of our goods. I have listened to my hon. friends with interest, and there may be something in their contention. I may add that it is not for his pleasure that the minister under the proposed section takes on his shoulders the responsibility of passing upon appeals of aggrieved persons, but sometimes we have to take our responsibilities, the government has sometimes to perform some duties it does not like. The same is true of members of the house; they have to undertake their responsibilities. I thought in this instance that those aggrieved by a confiscation by an officer would perhaps prefer appealing to the minister instead of appealing to the courts. But as I have already stated, we do not want to be too hard. I am prepared to consider the suggestions of my hon. friends, and for that purpose I move that the committee rise and report progress and ask leave to sit again.

Mr. DUFF: Before the committee rises would the minister be good enough to answer my question as to whether this is a special clause in regard to canned fish and shellfish, or if with respect to all canned goods the same drastic treatment is meted out?

Mr. DURANLEAU: We will consider the whole matter before we bring it before the committee again.

Mr. DUFF: The proper thing to do is to put them all on the same level.

Mr. MacINNIS: Could not the minister consider referring this bill to the committee on fisheries, where those opposed to it could have the advantage of meeting the officers concerned and possibly get a better point of view than we can in the house where the officers cannot be present?

Mr. DURANLEAU: I do not think that is necessary for this amendment. Hon. members have ample opportunity to discuss the matter before this committee. It is only a single amendment.

Mr. RALSTON: Before the committee rises let me say I am glad the Prime Minister and the Acting Minister of Fisheries have accepted the suggestion to consider the matter further. The Prime Minister referred to the matter of securities, I only mentioned that as an illustration; but my right hon. friend is not quite correct in the statement he makes with regard to the statute in that respect. When a person in the position of the Prime Minister makes such a statement the house accepts it as authoritative, but it is not quite true that in Alberta or anywhere else the officer has the right to step in and search anyone's premises. The attorney general makes the direction.

Mr. BENNETT: Certainly.

Mr. RALSTON: Well that is the point that differentiates it entirely from this case where a police officer or a customs officer makes his decision right on the ground without any direction from a responsible minister of the crown.

Mr. BENNETT: Because he sees it before him.

Mr. RALSTON: But the attorney general, the responsible officer of the crown, is in a very different position from a police officer,

who may be only a temporary officer in some outlying district. I do not think the cases are parallel. I think the Securities Act which requires the intervention of the attorney-general before a seizure can be made strengthens my contention that we are taking steps entirely out of proportion to the importance of the matter, when we vest in outside officers the right to step into a man's premises and make a seizure of canned fish which may be incorrectly labelled through a mistake while in connection with much more serious offences we require the intervention of a minister of the crown in the person of the attorney-general of the province before any seizure can be made.

Mr. NEILL: I just want to point out that while the Securities Act allows a man's premises to be raided by a constable, it does not give the constable power to send him to gaol.

Mr. BENNETT: It gives him power to take the stuff away.

Mr. NEILL: But he has a trial. In this case the constable can confiscate on his own volition. The Prime Minister stressed a good deal the words "fraudulent," and "improperly labelled," but skated over the words "incorrectly labelled."

Mr. BENNETT: No, I dwelt upon that.

Mr. NEILL: There is a big difference between a false statement and an incorrect statement. I might say I was a statesman; that would not be fraudulent but it would be incorrect.

Mr. BENNETT: It would not be incorrect. It might be immodest.

Mr. NEILL: The feature of the amendment that I stress is that it takes the power, the excessive power, of confiscation out of the hands of the little constable or officer and vests it in a court. Is there anything wrong in that? After all it is only summary conviction by two justices of the peace or a magistrate having the power of two justices of the peace. I will never be convinced that it is not wrong to put an excessive penalty on an offence. We might as well go back to the days of the feudal system. Was it not King Henry who was bothered by some priest and said: Isn't there some good friend of mine who will rid me of this turbulent fellow? And they went out and murdered Becket or whoever it was. It is on record that in the old days when they got tired of a politician or a courtier, they would say casually: Take him out and behead him, and that was the end? Do we want to go back to that system? In Turkey there was a baker discovered giving short weight, he was put in his oven and baked. The caliph, or whatever you call him, boasted that this one act of severity stopped the giving of short weight bread by bakers. Is that the system we want in Canada? Surely not. Take another instance. If I go on the highway at night with my car on which I have only one light burning I may be stopped by a constable and given a summons and brought up in court, but the analogy would be that the constable could step up to me and say, "your car is confiscated." My car does not cost anything like as much as a thousand cases of salmon. The offence may be merely spelling Canada wrongly, or something equally trivial.

Mr. BENNETT: That would not be wrong.

Mr. NEILL: Any incorrect labelling would bring it under the act. I do wish the minister would let the bill go to the committee, but since he is going to let it stand in order to look into it I hope the matter will be dealt with properly.

Section stands.

Progress reported.

FISHERIES ACT AMENDMENT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved the second reading of Bill No. 7, to amend the Fisheries Act, 1932.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

The house in committee of supply, Mr. Morand in the chair.

Railways and canals—surveys and inspections, canals, $6,370.

Mr. HANBURY: I suppose this is just a general item, and nothing specific?

Mr. MANION: That is right.

Item agreed to.

Railway employees provident fund—to supplement pension allowances payable under provisions of Intercolonial and Prince Edward Island Railway Employees Provident Fund Act so as to make the minimum payment during period January 1, 1934, to March 31, 1935, the sum of $30 per month instead of $20 as fixed by the said act, $26,500.

Mr. REID: I should like to ask the minister if this fund only operates in one part of the country.

Mr. MANION: Yes.

Mr. RALSTON: How long since this increase was made?

Mr. MANION: This has been going on now for quite a number of years. It goes back to 1907.

Mr. RALSTON: I mean the increase from $20 to $30.

Mr. MANION: That has been going on since 1921.

Item agreed to.

Hudson Bay railway and terminals—construction and betterments (including E. B. Jost at $2,250) revote $117,500—$550,000.

Mr. GRAY: Will the minister give us a short account of the business done by the Hudson Bay terminals since the last estimates were passed?

Mr. MANION: Does my hon. friend mean the business done or the construction work carried on?

Mr. GRAY: I should like to include the business that has been done at that port.

Mr. MANION: During the last year the work on the railway and at the port was completed to a large extent, though this item includes a certain amount of money for finishing up the work as far as we expect to go, though that depends on the future business at the port. If certain lines of business show a great advance there will be other works in the future, necessarily, but at the moment I can say that with this vote the work will be largely completed.

Mr. McINTOSH: But you look for a continuous development?

Mr. MANION: Yes, of course. The work done last year included dredging, a certain amount of filling and the finishing of certain works in regard to water supply and such things at the port. On the railway, unfortunately, each year subsidences have occurred, sink holes, as they are called, that have had to be filled in, but each year the number of sink holes has decreased, and it is rather hoped that with the work done this year the road may be able to go on an operating basis. This item is partly for construction.

In regard to the business done at the port I will give what I can from memory, and if they wish my hon. friends can ask for other details. In 1931 the first boats went in; there were two. In 1932 ten ships arrived and took out cargoes of wheat; last year ten ships also arrived, and in addition there was one ship of the Hudson Bay Company, the Nascopie, making really eleven cargoes outward. As to cargoes inward, in 1931 two of the ships had small excess cargoes of coal which they wished to get rid of in order to make room for a return cargo of a larger amount of wheat, and we took some five hundred tons of coal off their hands. In the second year one cargo—not a very large one—of mixed freight came in, and last year one cargo came in and one cargo of mixed freight went out. All the outward cargoes, except one, have been wheat. In the second year some rolled oats and other grain products went out. Last year a cargo went out in which there were two hundred head of cattle. Perhaps it would be interesting to have some of the details concerning that cargo. There were nineteen and a half tons of honey, a small amount of egg powder, some hay for the cattle, and 150,000 board feet of lumber. That was on the steamship Brandon.

Mr. HANBURY: How much lumber?

Mr. MANION: 150,000 board feet.

Mr. McINTOSH: Can the minister say where that lumber came from?

Mr. MANION: It came from the neighbourhood of Le Pas, although we have taken a good deal of lumber incidentally, for construction work, from British Columbia, when we required fir or cedar for building purposes.

Mr. BEAUBIEN: Can the minister tell the committee whether the rate on cattle shipped to Churchill is advantageous, when compared with the rate to the eastern Atlantic ports?

Mr. STEVENS: The operation was carried on under the direction of my department and I have not an accurate memory of just what the rate was, but I can get it and give it to the hon. member when my estimates come up.

Mr. McGIBBON: As wheat was the chief export from the port last year, can the minister tell us how many million bushels went out?

Mr. MANION: About two and a half million bushels of wheat last year, and about the same the previous year.

Mr. MacMILLAN (Saskatoon): Can the minister tell us what it cost the government to fit up that ship?

Mr. STEVENS: I shall give particulars of that when my estimates are under discussion. A special provision was made to test it out. I believe the same ship is expected to come back to the port this year, for the purpose of carrying cattle. However, I shall give accurate information when my estimates are under consideration.

Mr. GRAY: Has there been—

Mr. MANION: May I answer the hon. member for Muskoka-Ontario? He asked concerning the prospects for the coming year. That is difficult to say, but naturally it is expected that more grain will be shipped from that port than has been shipped in the past. As I have said, about two and a half million bushels, in round figures, went out last year. This year it has been arranged, partly through the work of shippers, and partly through the work, I must say in justice, of the Saskatchewan government, to send considerable traffic through the port. The Saskatchewan government has been very active in attempting to work out traffic for the port. Already the Saskatchewan wheat board have chartered two wheat vessels. The Dalgleish people, who were the first people to send in a ship are sending one in early in the season; it may be the Pennyworth. But there is also another ship the Brandon, which went in last year and is chartered to go in early this year, as well.

In addition to that my hon. friend the Minister of Trade and Commerce who arranged last year for the shipment of two hundred cattle has arranged that the Canadian Britisher shall go to Churchill upon the opening of navigation. On that vessel will be placed from one thousand to twelve hundred tons of general cargo and two hundred head of cattle for discharge at London. So the prospects are somewhat improved at the present time, and arrangements are in better shape than they have been heretofore. This year my department has not done anything towards chartering vessels for that port. In other years vessels were brought in to a great extent through the efforts of my department. But now, when the port is a going concern, so to speak, it does not appear to me to be the duty of the Department of Railways and Canals to charter vessels. That matter is being attended to by shipping agencies themselves and by the Saskatchewan government. Also, as I have mentioned, the Department of Trade and Commerce have arranged for one shipment.

In regard to insurance it may be of interest to mention that the insurance rates on cargoes have been coming down. Each year they have decreased a little. In 1931 they were two per cent; in 1932 one and a half per cent and in 1933 one and a quarter per cent.

Mr. BEAUBIEN: How does that compare with other rates?

Mr. MANION: I would say it is about five times as high as the rate into Montreal.

Mr. McINTOSH: How does that compare with the rates into Montreal years ago when the St. Lawrence route was in a condition far different from that of to-day?

Mr. MANION: I have no doubt the early rates into Montreal were just as high as rates into Churchill. I should like to give the freight rates, as well. In 1931 the freight rates out of Churchill for grain were 3s. 9d., whereas out of Montreal they were 1s. 6d. That is a little over a third. The following year, 1932 the rate was 3s, and 3s. 3d. out of Churchill, and 1s. 6d. out of Montreal. Last year the rate was 2s. 6d. to 2s. 9d. against 1s. 3d. In other words in the year 1933 the rates at Montreal were down to about one-half of the rates at Churchill, but about three years ago they were about one-third.

Mr. REID: What would the total difference be if you were computing the rate on grain?

Mr. MANION: I have not the figures before me, but some time ago I saw a statement, which I am now trying to locate, where rates were figured scientifically, and the figures showed that a ship going into Churchill, and allowing the usual time, and taking into account the shorter haul for grain, and the decrease in that rate as compared with the rate, we will say, from some of the Saskatchewan points right through to Montreal, that the ship could make a better return on its space or on its trips or voyages and that the rates taken, altogether, are lower.

Mr. HANBURY: By Churchill?

Mr. MANION: Yes. But the fact remains of course that the short period of navigation makes operations difficult.

Mr. MARCIL: It is closed for ten months in the year. What has been the average time of navigation from Churchill?

Mr. MANION: That is difficult to say. This is a subject which usually starts disputes in the house which I am not particularly looking for.

Mr. GRAY: You love it.

Mr. MANION: However, I shall try to give the information. There is, roughly, a period of two months with at each end possibly a period of two weeks—and sometimes without doubt that will be extended. My engineer who is familiar with this subject, much more than I am, has said that the usual period is from August 8 to October 8. However at each end of that length of time there are usually a couple of weeks.

Mr. HANBURY: A couple of weeks of good gambling.

Mr. MANION: Yes, good gambling. Of course, during that period, for the time being at any rate, insurance rates will be higher.

Mr. McINTOSH: The navigation period is practically three months?

Mr. MANION: I would not like to say it is three months at the present time although I remember when I made my first trip up there in 1931 I met a delightful old bishop who was and still is up there, Bishop Turquetil. He has canoed the whole north country, and told me he was convinced that the period would be extended to four months.

Mr. McINTOSH: I think he is about right.

Mr. BRADETTE: In some years there has been navigation for more than four months?

Mr. MANION: Yes, but it has to be remembered that the shippers, or ship owners, may not take very much chance. I believe it is still in a stage of experimentation, and some time will be required to know how long actually the season will be. So if my hon. friends opposite wish to state it is open for a longer period, I have no quarrel with them.

Mr. GRAY: Does the government receive revenue from the grain stored in the government terminal at Churchill?

Mr. MANION: Yes; my engineer will look up the figures.

[Mr. Hanbury.]

Mr. HANBURY: I understand the government is absorbing a portion of the insurance charges?

Mr. MANION: No.

Mr. HANBURY: They were, I believe, at one time.

Mr. MANION: No. So far as I can remember—and I think I am right—we did not at any time absorb any of the insurance charges.

Mr. McINTOSH: What are the possibilities for further freight reductions out of Churchill?

Mr. MANION: I think it all depends upon the amount of traffic coming and going. The ships that have come into Churchill so far have come in light, except for two cargoes. Naturally if the ships can get two-way cargoes it will cut down the rates, and as my hon. friends from the west succeed in patronizing the route it will without a doubt cut down the rates. But so far, and I am not saying this in any critical spirit, it has been very difficult to get anybody to ship grain or other commodities through that port. It has been really a struggle. The first two ships received a cargo through my department. The second season we practically had to do the whole thing, and last season we also did a good deal. But this coming season the province of Saskatchewan, and I think I should say this in full justice to the province, is making a really strong effort to get cargoes and I have a statement here from which I quoted a moment or two ago from Mr. Merkley, Minister of Railways, Labour and Industries, who has been taking a very great interest in this route, in which he points out the difficulties that have had to be contended with in getting a boat chartered. In addition, hon. members of this house on both sides, from that section of the country, notably my hon. friend from Nelson (Mr. Stitt) in whose constituency the port of Churchill is, have been doing everything they can. I can assure the committee that, in spite of what is occasionally said in the press which is not too friendly to us, this department and the government has done everything it can to give the port and the road a fair deal.

Mr. McINTOSH: Is the department at present carrying on negotiations with Lloyd's for a reduction in the insurance rates out of Churchill?

Mr. MANION: Oh, my hon. friend was referring to insurance rates? Negotiations are going on continuously. I have already given figures showing the cutting down of the insurance rates. That is a matter that comes under the department of my colleague the Minister of Marine, which carries on all the negotiations in regard to insurance rates. It works in association with the Imperial Shipping Committee and has done much good work in bringing down insurance rates. May I in this connection, without speaking politically at all, but just as a matter of justice, say that the Hon. Howard Feguson has worked continuously to bring down the insurance rates at the request of both my department and that of my colleague the Minister of Marine. He has helped to accomplish what has been accomplished, and as the rate has been cut from 2 to 1¼ per cent, or nearly cut in two, I think it is only fair that credit should be given to those who have worked hard to bring that about. But I thought that my hon. friend was speaking of freight rates in the first place.

Mr. McINTOSH: I was speaking of freight rates at first, but insurance rates subsequently.

Mr. MANION: My hon. friend from West Lambton (Mr. Gray) asked as to the revenue from the elevator. Last year the revenue from the elevator was $58,000.

Mr. HEAPS: What are the annual interest charges on the Hudson Bay railway and the port of Churchill?

Mr. MANION: I do not know that I can give the exact figures, but I have them pretty well in my head. The cost of the Churchill developments, including the money lost at Port Nelson, was in round figures $53,000,000. That figure includes the aids to navigation in strait and bay provided by the Department of Marine. My hon. friend, who comes of a race that is very good at figures, can easily see that at five per cent the interest charges would amount to something like $2,500,000.

Mr. GRAY: Exclusive of interest what is the cost of operation at the moment?

Mr. MANION: The estimated operating cost at Churchill this year is $95,000. That does not include the deficit on the railway, which last year amounted to $163,000. In our estimates this year we are only allowing $10,000 for the deficit on the railway. In other words, we are counting on a greater amount of traffic.

Mr. HEAPS: Is that just the operating deficit?

Mr. MANION: Yes.

Mr. HEAPS: What are the maintenance charges on the road?

Mr. MANION: This year our vote for the road, including operating deficit and maintenance—part of it this year would really be capital—is a little over $414,000, nearly $415,000. That is for the road alone. We are hoping that next year, with the ballasting, ditching, filling and such like done, we shall not require as large an amount, because the operation then would be confined to ordinary repairs, wear and tear, and whatever else there might be under the head of an operating deficit.

Mr. HOWDEN: I would ask the minister to make a statement following the statement made by the hon. member for Dauphin (Mr. Bowman) with reference to an editorial in a recent issue of the Free Press pointing out that a possible cause of high rates out of Churchill was the excessive cost of stevedoring and of supplies, and contending that as both these were furnished by the government they should have been furnished at reasonable rates, but the contractors were permitted to come in between and take a shaving on the service.

Mr. MANION: I am quite prepared to deal with that because I saw the article myself, and in addition two members on this side of the house, the hon. member for Nelson and the hon. member for Dauphin, drew it to my attention. If somebody has a copy of the editorial available I shall deal with it verbatim because it is full of errors.

Mr. HEAPS: That is the reason you are going to deal with it.

Mr. MANION: Yes, naturally I do not wish to have errors circulated in the west giving a wrong impression. Of course, I do not imply that the Free Press would think of such a thing as that.

The first point made was in regard to stevedoring, and I will deal with that first from memory, as I recollect the circumstances very well. The department has nothing to do with

the stevedoring. It is true that the stevedoring was done by a gentleman from Montreal, Louis Wolfe, a very outstanding man in that type of work at the port of Montreal. His arangements were made, not with the government—but with the ships or the shipping agents, and we had no control and have no control whatsoever over this contract. Mr. Wolfe naturally could not afford, in view of the short season of navigation, to take a big staff up there, and so to facilitate things as much as possible, and yet to be fair to ourselves, whenever ships had to be loaded or unloaded we loaned him some of our labourers who are ordinarily employed at other works in the port of Churchill. For these men he paid us the wages that we were paying them, and in addition we charged him 35 per cent. That may seem a little heavy, but we had to bring these men into Churchill from different parts of the country, some from places far outside of Churchill, and pay their fare there and back, and we figured that 35 per cent was a legitimate charge, and very much less than the contractor would have had to pay for bringing the men in from different places himself. My engineer tells me that the 35 per cent was figured out by my officers to be the actual cost to us. That makes it even fairer. If the contractor has made a pretty good profit on the stevedoring, that is entirely a matter between him and the ships or the shipping agents who engaged him. We had no connection with him in any shape or form so far as his charges for the stevedoring were concerned. I assume he has the right to a just profit but as to whether or not that profit was excessive, I do not know. That is a matter for the shipping agents and those who are dealing with him to work out. An estimate of his profits was given to me but I shall not repeat the figures because I do not know if they are really correct. These figures do not show a very heavy profit. If they are correct, I think his profit was only fair considering the time he was there and it certainly would have no great effect on the freight rates. Any effect would be infinitesimal when spread over the number of ships which he handled. I think I have dealt sufficiently with the insurance rates. While these rates are higher than those charged at Montreal, we have been gradually getting them down and are still working to that end. Another statement is made regarding food supplies and this possibly has prompted hon. members opposite in their questioning. The article reads:

[Mr. Manion.]

Regarding food supplies for the ships, these are all provided from the government supplies at Churchill.

That statement is absolutely incorrect because the ships bring in their own supplies. They do buy a little fresh food from the government but they pay for that on the same basis as they pay for labour, cost plus handling charges. Last year the total purchases for the eleven ships amounted to only $646. The engineer points out that there was no intermediary to get a rake-off, if I may use that term, a commission or anything of the sort on the handling of the food.

Mr. HOWDEN: It is sold direct from the government to the ships?

Mr. MANION: Yes, by our staff up there. We have had to buy a considerable quantity of food for the different camps as a great number of men have been fed. We call for tenders which are put in by large companies who deal in a wholesale way and we get a very good rate. Another statement is to the effect that the business is done through a contractor who is well remunerated. I have dealt with that already and I repeat, that statement is incorrect. Without meaning to be anything but gentle with the Free Press, which is a great friend of mine, I say with all due respect that the statements made in this article are about as incorrect as they possibly could be. I believe the Free Press has been given some misinformation by someone who misread the report of Mr. Kydd, and incidentally I should like to know who has been so busy as to hand out this information. Up until the present I have not seen this report, so the Free Press has secured a scoop.

Mr. BEAUBIEN: Is the minister in position to make a statement as to how far he has gone in the construction of the Mafeking cutoff?

Mr. MANION: A survey was made shortly after the elections and I think a report has been made but no construction has been started. In fact, I can say quite frankly that until the Hudson Bay railway does considerably more business than it has been doing, we cannot expect any great congestion and probably will not build this cutoff until some time in the future. As my hon. friend knows, this is to provide a short-cut to Churchill and at the moment there is not very much necessity for this.

Mr. BEAUBIEN: I gather from the minister's remarks that we need not expect this cutoff for a few years.

Mr. MANION: I would not like to prophesy so far ahead but it certainly should not be in expectation this year.

Mr. BEAUBIEN: May I remind the minister that an election is expected in the near future. He is one of the ministers who is always very anxious to carry out his promises, probably more so than the rest and—

Mr. STEVENS: Order.

Mr. BEAUBIEN: May I remind the minister that should we have an election this year or even next year he will have to get busy so that he can go back into the northern ridings of Manitoba and tell the people that he has done something with regard to the Mafeking cutoff. The promise made by the minister at Dauphin and that made by the Prime Minister (Mr. Bennett) at Brandon were both in very definite language and there could be no doubt as to what was meant. Should the minister go back to Dauphin and the Prime Minister go back to Brandon during the next elections this question will be asked and I am afraid they will be put in a very embarrassing position. I certainly would not like to see the Minister of Railways embarrassed in any way as he is one of the most genial members we have in this house.

Mr. BOWMAN: For the benefit of the hon. member who has just taken his seat (Mr. Beaubien), I may say that the Minister of Railways will always be very welcome at Dauphin. He has always had a very warm welcome in the past and he need not worry about any promises he made during the last elections.

An hon. MEMBER: It will be warm.

An. hon. MEMBER It will be hot.

Mr. BOWMAN: So far as Dauphin is concerned, the present member, perhaps with the assistance of the Minister of Railways will do his best to look after the constituency.

Mr. BEAUBIEN: May I inform the hon. member for Dauphin (Mr. Bowman) that the Minister of Railways is just as welcome in the riding of Provencher as he is in the riding of Dauphin. So far I have not seen him there. He was supposed to appear but he did not show up. The people have read a great deal about him; they have seen his picture in the papers and they would like to meet him personally. I do not say that he would not be welcome in Dauphin, I am simply saying that he may find himself in a difficult position. The promise was made that the Mafeking cutoff would be built as a means of curing unemployment, and I am reminding the minister of this in a kind and not a critical manner. That is the only reason why I brought up the matter.

Mr. MANION: I have no desire to enter into a dispute with regard to the Mafeking cutoff, as that matter has been brought up practically every year. I have been reminded by the hon. member that I made this promise and I have always told him that I did not. I desire to thank my hon. friend for his invitation to visit his constituency and I shall make every effort to do so. For his consolation I may say that during the last elections I visited some ten or twelve constituencies in Manitoba, and we returned nearly ten or twelve members. I hope he will give me a good welcome when I come along to see him.

Mr. BROWN: I hope the minister will carry out his plan and visit my constituency.

Mr. MANION: If I had carried out my plans during the last elections the hon. gentleman would not be here.

Mr. BROWN: That is a reflection on the Minister of Trade and Commerce (Mr. Stevens) who came in his place.

Mr. MANION: I will let the Minister of Trade and Commerce take care of himself. I might tell the hon. gentleman that the only thing that saved him from a visit from me was a rain storm. He can thank the storm for interfering on his behalf.

Mr. BROWN: The Minister of Trade and Commerce could not say that.

Mr. MOTHERWELL: I understand the minister has had some correspondence from the secretary of a comparatively new organization in the west known as the interprovincial traffic conference. Mr. Smith, the secretary who at one time was associated with the Saskatchewan government, has been actively engaged in promoting the cause of the Hudson Bay railway. This organization held a meeting recently at Saskatoon, and I should like to quote from a letter addressed by the secretary to the minister. It reads:

> For the specific purpose of developing export and import trade through Churchill in a businesslike way, the interprovincial trade and traffic conference, with representatives present from western cities, towns, wholesale and retail

merchants' associations, boards of trade, and the executive officers of the provincial wheat, live stock, egg and poultry pools, met at Saskatoon on January 12, and carefully reviewed the entire Hudson bay situation to earnestly ascertain what steps are necessary to enable the Hudson Bay railway to handle its proper share of the export traffic originating in, and the import traffic destined to, western Canada.

The object of this body is, I think, to co-operate with my hon. friend and to reciprocate in regard to his invitation to the west to try to make further use of this new outlet, they passed a number of resolutions. As this letter is dated only January 16, I was wondering whether the minister had had time yet to consider the matter. The minister knows one shipment of cattle has gone out via Churchill even with the very poor loading facilities there. I understand there are no modern facilities for bringing coal in by the bay route. A little memorandum attached to the resolution indicates what an interminable time it took to unload coal from the Pennyworth. As regards Churchill coal handling facilities, the resolution reads:

That in order to secure fair and reasonable ocean rates on export grain it is essential that every effort be made to provide coal and all other westbound cargo for ships trading to Churchill.

The attached memorandum reads:

The conference is aware of the time consumed in discharging only 1,000 tons of coal from the Pennyworth last August—five and one-half working days, or less than 200 tons per day—and it is, therefore, obvious that no vessel owner would quote reasonable ocean rates on coal unless assured of proper dispatch, which evidently is not obtainable at present. It is, of course, also a fact that Churchill is the only port in the world without proper coal handling facilities.

I was wondering what the chances were for some of those facilities being provided. Of course, we know Rome was not built in a day, but time is dragging along and it has taken about fifty years to obtain this northern outlet, so that everything in reason should be done to facilitate trade coming in and going out of it. Cattle yards and coal handling facilities are asked for in addition to a request, about which the minister may have heard something, for a storage warehouse to be established at The Pas. The reason given in that connection is that it is to facilitate trade via that route. What hope has my hon. friend held out or has he held out any to Mr. Smith, or can he hold out any hope to us that some of these very necessary facilities will be provided in the reasonably near future?

[Mr. Motherwell.]

Mr. MANION: I am glad to say that I can hold out more than hope, because at least some of the things that Mr. Smith suggests have already been done.

Mr. MOTHERWELL: What are they?

Mr. MANION: I shall deal with them seriatim. I have his letter before me and have looked into it pretty thoroughly; I was already aware of some of the requirements.

As regards coal, the resolution which the hon. gentleman read covers that, and Mr. Smith, to put the matter briefly, suggests that we put in a completely up-to-date coal handling plant. To do that would cost about $300,000. At Churchill we have a coal handling plant, a locomotive crane type of machine, which cost us, in round figures, about $50,000. It is true it is not a particularly up-to-date method, but when one remembers that the only coal that has so far come in to Churchill was taken there by ourselves, this does not encourage one to think of spending $300,000 at this time and I cannot say that we are even considering it. I mentioned this in part a few moments ago: The first year when two ships came in there, one or other or both had some coal that the captain of the ship wished to get rid of because he wanted to have more room for outgoing wheat. To help him, we took this coal, amounting to about 500 tons, off his hands. That was in 1931. No coal was taken off in 1932 and last year we again took about 1,100 tons of British coal, the reason being that it was a very high type and one of the two dredges which we had there we were shipping around into the St. Lawrence basin in order to transfer it to the Department of Marine. We have done this because we have no need for two dredges at Churchill at present. Those two shipments of 500 tons in 1931 and about 1,100 tons last year, or 1,600 tons in all, which would make perhaps one-third of a cargo, constitute nearly all the coal that has been unloaded at Churchill and we took it there ourselves. Naturally, my hon. friend who is usually reasonable must realize that we would not be justified on that basis, since we already have a coal handling plant there, in spending at the present time some $300,000 on an up-to-date plant.

Any ships coming in there now can be unloaded by the plant we have. It is true it does not unload as fast as a modern plant would do, but in going into the matter some time ago with my officers I found that the slowness of the unloading was due rather to the construction of the ships that come in there than to the plant itself. The keel of the ship has a shaft tunnel where the coal

sits upon it in such a way that the lower part of the coal has to be taken out by hand. It cannot be taken out by the clamshell type of coal handling plant and consequently it has to be shovelled into buckets, so that the slowness is largely due to the construction of the ships themselves and not to the plant. This may be of interest and it may be questioned by some of the people who wish to ship in coal; it may be questioned by Mr. Smith and some of his associates.

As I have already mentioned, we were told by the Minister of Trade and Commerce that 200 head of cattle were handled out of Churchill and they were handled in the ordinary way. It is true we have not any pens at that port, but in this estimate we have a sum of $500 to construct pens there for 200 head. We also have pens at The Pas and Hudson Bay junction, so that we shall be in reasonably good shape to handle any cattle offered for shipment overseas.

Therefore I think, taking Mr. Smith's letter as a whole, we have already attended fairly well to his suggestions and I do not think the government, under present financial conditions, should be asked to move more rapidly than it has already done.

Mr. MOTHERWELL: That is quite satisfactory as far as it goes. Of course I did not know what answer my hon. friend had made to Mr. Smith or what he was including in the estimates, but the results of the cattle shipments were so satisfactory last year, I understand they netted the producers $10 per head more than they would have got elsewhere. That is very substantial these days when the price of cattle is so low. And they anticipate shipping about 4,000 head by that route, so that would justify this new expenditure.

In regard to coal, we cannot expect much coal to come that way if there is such long delay in handling it. It is true there may be something faulty in the ship, but there would be no traffic at all if there were no port or railway, and if the facilities are lacking that would hinder too. This organization is very active in trying to promote traffic by that route, and of course there is always a certain disposition to make sport of a new route, especially one that is seeking to get some traffic that now goes by other routes. That is the experience of all new routes; they have to hustle for their traffic and against many handicaps.

May I mention another resolution that I have? It was addressed to the Minister of Trade and Commerce, if he does not mind my mentioning it on this estimate, lest we forget it on his. It is with respect to the interior terminal elevator at Saskatoon. I understand it is empty, and they are asking for certain storage conditions similar to what they get at Churchill, so that the wheat could be assembled at Saskatoon during the winter and be prepared to forward on to Churchill as soon as possible in the spring.

Mr. STEVENS: I will deal with that when my estimates are up.

Mr. MOTHERWELL: The chances are we will forget it.

Mr. STEVENS: I am well acquainted with the point.

Mr. MOTHERWELL: I mean I might forget it.

Mr. STEVENS: I do not think there is any danger.

Mr. MOTHERWELL: At any rate that is good news about the cattle yards, because with all the disabilities of any new route, if they are helped by proper facilities and proper pens it will be a great encouragement to ship cattle that way, in addition to the $10 extra they get.

Before I sit down might I inquire what the chances are with respect to the insurance rates? That after all is the bugbear there. I do not know the exact rates by the bay route, but they were represented by the minister himself last year as being four or five times higher on grain than by the St. Lawrence route, and the rates on the St. Lawrence are high compared with those for Atlantic ports to the south. So when you consider that these insurance rates are four or five times as high as on the St. Lawrence and the rates on the St. Lawrence higher again than the ports farther south, it is a marvel to me that anything goes out or comes in by the Churchill route at all. Something surely could be done, now that there have been no more Bright Fans looking around for icebergs to nose into, as I think we have lived that down. There is at any rate always lots of deep water by the Hudson bay route; the straits are sixty to one hundred miles wide and not quite that deep, but there is no danger as regards depth of water. The same thing is true in entering Churchill; there is abundance of water even at low tide and abundance of shelter when you are in the harbour. There is no earthly reason that I can see why there should be such ghastly insurance rates by the bay route after at least two years of trial. I fear that until something is done in the way of the government

carrying part of that insurance or the establishing of a national marine insurance branch in the marine department, not for that port alone but for all the ports of Canada and doing it at cost, they will all suffer. I do not know about the Pacific coast, but at any rate the St. Lawrence and bay routes are handicapped as compared with the Atlantic ports further south. There is no disability that I know of on the Pacific coast; it is open the whole year round, and like Hudson bay has ample depth of water, and first-class ports. So I urge on my hon. friend that he do not cease from his labours in trying to secure better insurance rates on goods coming into and going out of Churchill. I understand that the provincial government at Regina has succeeded in getting reduced rates from a certain company—I do not know which it is; I got it from the newspapers. I do not know the extent of the reduction, but if a province can succeed in doing something along this line, surely with the larger authority of the federal minister he could do more in the same direction.

Mr. MANION: I think the hon. gentleman was not in his seat when I dealt elaborately with the insurance question. I did point out that a great deal of work has been done and that the rate has been lowered.

Mr. MOTHERWELL: I had to go upstairs for this correspondence; I am sorry.

Mr. MANION: I will say it briefly again. A great deal of work has been done. In 1931 the rate was 2 per cent on cargo; last year it was only 1¼ per cent, so that it has been cut nearly fifty per cent, largely through the efforts of the marine department, dealing with the imperial shipping committee, and my own department pressing it upon Hon. Howard Ferguson. Both the government and those associated with the government in that regard have worked energetically to get insurance rates cut, and have succeeded. Without doubt as traffic at Churchill increases the rates will come down; but we are not neglecting it, we are pressing it on every possible occasion. For example I have in my hand figures as to a cargo from Montreal and from Churchill, showing that on a cargo of say 300,000 bushels of grain worth 75 cents a bushel the insurance out of Churchill would be a little over $11,000 whereas out of Montreal it would be just under $2,000. That agrees with the figures I gave a few moments ago, Churchill about five times as high; but of course on the other hand Churchill has a very heavy advantage over Montreal in that the rail haul to Churchill is very much shorter. The matter of marine insurance rates is not in the control of the government, but the government is making every possible effort, both my own department and the Department of Marine, to have these rates, and freight rates too for that matter, reduced, and without doubt they will be reduced gradually, as they have already been, in accordance with the increase of traffic from the port.

[Mr. Motherwell.]

Mr. STITT (Nelson): I might take a few minutes to enlighten some hon. members on the situation at Churchill. Some question was raised about the length of the season. May I say that the season at present taken as being the navigation season is that set by the marine insurance underwriters at London, not the actual season prevailing at Churchill. The underwriters say a boat must pass out of the straits before October 15. There has only been one attempt on the part of this government to make any investigation into ice conditions in Hudson bay or straits. That was in 1927 and 1928, when the late government—I give them credit for it—sent a fleet of airplanes there and established three bases in the straits, known as bases A, B and C. Instructions were given to fly the straits every day that was fit for flying and gather data. I think we are justified in accepting their statements as being at least something towards an accurate representation of ice conditions in the straits, and from their observations I take the following particulars:

Ice first reported, 1927

Base "B"	Base "C"	Base "A"
Nov. 16, 1927	Dec. 3, 1927	Nov. 30, 1927

Ice first reported, 1928

Base "B"	Base "C"	Base "A"
Nov. 15, 1928	Nov. 28, 1928	Dec. 9, 1928

In spite of this our friends in the old country tell us that boats must be out of the straits on or before October 15. Many captains and other men who know those northern waters, men who are not making guesses—I name only one, Captain Bernier—do not hesitate to say that the season is much longer than the underwriters allow. The point I want to make is that no real investigation has ever been made in late fall and when anyone says that the navigation season at Churchill is from the 7th of August to the 15th of October he is simply using the dates set by the marine underwriters in England, who do not know much more about it than a lot of hon. gentlemen in this house.

Mr. HOWDEN: May I ask when the ice forms in the bay at Churchill?

Mr. STITT (Nelson): An icebreaker could keep the port of Churchill open for perhaps two or three weeks longer than it is open to-day. That is being done in other parts of Canada; you only have to refer to the estimates to see how much is being spent for icebreakers on the St. Lawrence. I am not going into that, however. I think it is safe to assume that Churchill could operate until December 1, and I hope that further investigations will be undertaken. The department keeps a boat in the straits to aid vessels during the navigation season; it is one of the best boats we have, the N. B. McLean, but as soon as the last boat goes out through the straits the McLean is called back to the St. Lawrence, so no investigation is carried on after that date. The only data the government have is from those two years for November and December, and I hope they will carry on their investigations in the future.

With regard to the insurance rates, the minister covered the situation with regard to the discrepancies between Churchill and Montreal. With regard to the advantages of Churchill, I may say that it is approximately the same distance from Churchill to Liverpool as it is from Halifax to Liverpool, and we all know the difficulties that ships experience in going down that long, tortuous St. Lawrence river. The Pennyworth was mentioned by the minister, who said there was some hope of her coming to Churchill next year. I want to disabuse his mind on that score. The Pennyworth, after making two trips to Churchill, piled up on the Isle of Orleans in the St. Lawrence and was a total loss. When in Churchill the captain made it clear to all that he would very much prefer to go to Churchill than to Montreal. The last boat that carried cattle, the Brandon, made two trips, and the captain stated to me that he could easily make three trips to Churchill in a season, and intended to do so next year if he could get a cargo. That was the last boat out. The Brandon is owned by one of the largest shipping companies in Scotland, but that boat did not carry a penny of insurance on the hull. Yet the captain made two trips and said he hoped to make three trips next year; that is how much he is worrying about the terrors of Hudson bay.

In regard to the cattle I have a statement from the Saskatchewan Co-Operative Livestock Producers Ltd., which may be of interest. It is signed by J. C. Hackney, and states:

> The average net return to the producers around Prince Albert from the "Brandon" shipment was $31 per head. Some of the heavier cattle which were well fleshed brought the higher net returns, in some cases being as high as $36, $37 or $38 per head. Some of the lighter, good quality, feeder cattle brought slightly below $31 per head, no doubt because they were not ready for killing on arrival. Knowing the prices at the Winnipeg market when the cattle were shipped, and also at the time the returns were received for these cattle, we are quite safe in saying that the producers at Prince Albert received $10 per head more than they would have received had the cattle been sold on the Winnipeg market at that time. Some of them would not have realized over $16 or $17 apiece at the Winnipeg market.

So there is quite an advantage in shipping cattle by that route. Just developing that point a little further, someone asked about comparative rates, and I am going to give them. I know my hon. friends from the east do not like it, but they are going to get them anyway. Here are the comparative rates as between Montreal and Churchill on cattle:

From—	To Montreal	To Churchill
Union Stock Yards, St. Boniface	$170	$116
Brandon	176	112
Swan River	202	94
Yorkton	202	96
Prince Albert	227	100
North Battleford	227	108
Saskatoon	225	102
Regina	214	104
Moose Jaw	221	108
Edmonton	229	126
Calgary	229	132

I think those figures speak for themselves.

Mr. MANION: Were those rates for cars of cattle?

Mr. STITT (Nelson): Yes, the rate per car of 20,000 pounds.

Mr. McGIBBON: Just for my own information, could my hon. friend give the rates from these respective points to Liverpool?

Mr. STITT (Nelson): The shipping rate is on the basis of so much per head, and I do not know just how the rates compare out of Montreal. Last year they had distress rates in Montreal, and when steamships are carrying cargoes at less than cost you cannot get a fair comparison. That is what nearly wrecked Churchill last summer. Just when the season opened in Churchill, for some reason the shippers on the great lakes reduced their rate from the head of the lakes to Montreal to 3½ cents per bushel, although some of the presidents and general managers of the shipping companies had stated under oath that the bare cost was 6 cents a bushel and that the average cost of carrying grain from the head of the lakes to Montreal for the last ten years was 8 cents.

Mr. HOWDEN: May I ask how that shipment of cattle stood the journey?

Mr. STITT (Nelson): They arrived in the old country in first class condition and were sold at the dock right off the boat. I do not think anyone in western Canada would be guillible enough to believe that the distress rates now existing in Montreal, which wrecked that route last summer by charging less than cost to carry grain, are going to remain in force. There is no doubt that the rate on the great lakes will go back to 8, 10 or 12 cents, so I hope the farmers of the west will not be misled by the low rates which were in force last year. I notice also that the directors of the Saskatchewan pool have instructed the pool management to use the port of Churchill even if at times it is cheaper to ship via the great lakes, when freight rates on the lakes are very low, as they were in 1933, which condition the pool and other grain firms recognize as extraordinary and unusual. At present the pool, according to Mr. Gibson, one of the officials in Winnipeg, intends to ship at least 4,000,000 bushels through Churchill in 1934. They have 2,000,000 bushels stored at Churchill now. Mr. Brunswick, manager for Dreyfus in Winnipeg, is at present in New York trying to interest the Dreyfus office there in asking the government to build 2,000,000 bushels storage at Churchill, which they would lease for a long term. The Continental Grain Company are equally interested, and these are the two companies that shipped all the grain out of Churchill in the first two years of its existence. Only last year did the Saskatchewan pool become interested. I sincerely hope the pool will continue to use Churchill, because they represent the people who have been shouting for this route for the last fifty years, and if they are not willing to use it I do not know where else we are going to look for traffic. The facilities are there; they are the very best that money can buy. The port is admirably managed; everything possible is done for those who come there, and I am quite sure that this practice will continue. I hope that in the very near future the government will find it necessary to organize a proper port commission or appoint a manager there who will be given full charge of the port.

May I say in conclusion that in my opinion the best way to get the insurance rates lowered is to have the people interested in this route use it. A large volume of traffic and a low loss ratio will do more to bring down the rates than anything else on the face of the earth, and I sincerely hope all the western members will do their part in trying to interest their people in that route, because it means the economic salvation of western Canada.

Mr. MANION: I do not wish to delay my own estimates, but I should like to say a word in reply to my hon. friend. He has been a very enthusiastic supporter of this route; in that I am glad to encourage him and to agree with him, but when he makes the statement that since 1927 or 1928 the government has made no investigation into ice conditions, I must disagree. As a matter of fact, investigations into ice conditions have been going on since 1926, and every year we are spending out of our estimates from $25,000 to $50,000 in connection with the investigation of ice conditions. I have asked my deputy and my engineer to give me some information as to how much the Department of Marine, which operates the N.B. McLean, a very fine icebreaking steamship, spends for the same purpose. They estimate that the Department of Marine spends probably $200,000 per year. So, if the figures for the Department of Marine and my department are correct, it would appear that since 1926 we have spent yearly something like $200,000 or $250,000 investigating ice conditions. I say that to my hon. friend because I wish him to have his information absolutely watertight, as apparently he had not before. I presume his reference was to—

Mr. STITT (Nelson): I referred to late fall and winter investigations.

Mr. MANION: My hon. friend is not correct there, because we make a late fall investigation. In fact, in a minute or two I will give him the actual dates when it was considered impossible for ships to go out. We spent from $25,000 to $50,000 upon the Ocean Eagle. The ship of the Marine department is the steamship N.B. McLean. Both ships conduct a very thorough investigation each year. They are endeavouring to get and have been successful in getting data which is of great use to the port. The hon. member was rather severe in his statement concerning my remarks a little while ago as to dates. I knew I would probably get into trouble, but I do not think it is wise to exaggerate in favour of Hudson bay. I certainly am only endeavouring to give the facts, and I suggest, not only to my hon. friend but to any other hon. member in any part of the house, that he will not do any service to Hudson bay, to the port of Churchill or to the Hudson bay route by making statements which are not in accord-

ance with the facts. Of course, I am not attempting to suggest that my hon. friend did so intentionally, but I wish to point out that according to my officers we have had ships stuck in the ice and unable to get out on August 6. So when I gave the dates of August 8 and October 9, I was fair. I gave a date two days later than a date in one season when a ship was stuck in the ice.

One of the important points about the port of Churchill is that it does not matter whether it is Hudson strait, or the harbour itself which freezes up or gets blocked. If you can get through the channel of Hudson strait and cannot get into the harbour your ship is of no use to you. If you can get out of the harbour but cannot get through the strait, again your ship is of no use to you. Your success in navigation depends on the ice condition in both places.

Mr. McINTOSH: An icebreaker could handle the harbour, could it not?

Mr. MANION: To a certain extent, for a few days. But when freezing begins it freezes up rapidly. I have read a number of reports coming down year after year, and I have learned that once it begins to freeze it freezes rapidly. No doubt it could be kept open a certain length of time if we were sure when the season would end. The dates given to me show that the harbour opens about June 15 and closes about October 20, but ice coming down from Fox channel and Hudson strait blocks the other end. The report of George Kydd, the engineer on the ground, states that in 1933 the following was the condition: "On October 22, the river is full of ice." Remember, that is on October 22. Then, on October 10, 1932, he said, "Ice down the river this morning." In 1931, it was October 31 before the ice blocked, and in 1930 it was October 20. I give those figures from the reports the engineer and the deputy have at hand. I had an opportunity to read from them when the hon. member for Nelson was speaking.

I have no desire to give anything but the facts. I do hope the hon. member will bear in mind that between the departments of Marine and Railways and Canals $200,000 to $250,000 is being spent each year in an endeavour to get data. In addition to that it must be remembered that ships are looking for cargoes, and particularly in these days when ships are selling for almost nothing. There is no doubt that men like Mr. Dalgleish, with whom I had the pleasure of crossing the ocean upon my recent trip, are only too anxious to get their ships in there at the earliest possible moment. Mr. Dalgleish is a very fine old ship owner, a man who has handled ships all his life.

Information I have before me shows that last year the Pennyworth was the first ship in on August 13, and that the last ship departed on October 2. I believe that a conservative effort is being made—and I am not speaking politically—by this government, and a conservative effort was made by the late government, to give everything in the shape of a fair deal to the Churchill route. I believe all parts of the country may rest assured that, having in view the pressure from the western provinces, and particularly Manitoba and Saskatchewan, any government will endeavour to give a fair deal to that route. Certainly it is our desire, and I believe it was that of the late government to do likewise. The only point is that I think we should be given a little more credit probably, for what has been done. Certain people, perhaps for political reasons and perhaps for others—certainly not for political reasons in the case of my hon. friend—have belittled the efforts that have been made. I repeat we are making every effort to give the port a very fair deal, and with the improvement in world business, which we all hope has begun, I am sincerely hoping that next year Churchill will have a much greater amount of traffic than it had last year.

Mr. REID: I should like to have a little more information on freight rates. During the course of his remarks I believe the minister gave the rate of 3s. 9d. out of Churchill as against 1s. 6d. out of Montreal. I believe those are the figures he gave. The implication was that wheat was being landed as cheaply in the old country through the port of Churchill as it could be through other ports, particularly Montreal. My point is this: I should like to know the freight rates by rail, and as to whether or not the Dominion government sets that rail rate. It appears to me that rates must be very low if 3s. 9d. is the rate by boat and 1s. 6d. through Montreal.

Mr. MANION: The rate I was giving was the water rate. In quoting 3s. 9d. from Churchill as against 1s. 6d. from Montreal the hon. member was quoting the rate I gave for 1931. The rates through Churchill have gone down since then. In 1933 the rates through Churchill are 2s. 6d. and 2s. 9d. against the rate of 1s. 3d. to 1s. 9d. through Montreal. It is about half. In 1931, the rates from Montreal were just a little less

than a third of the rates from Churchill. But last year the rate from Montreal was just half of that from Churchill. It is indicated therefore that Churchill has been gaining.

My hon. friend asked a further question concerning railway rates. Of course, the government has not anything to do with that. Railway rates to Churchill have been put on exactly the same basis as railway rates to other parts, from the grain growing sections of the west. They are the Crowsnest rates established at Churchill, just as they have been established to the head of the lakes and west to Vancouver.

Mr. DONNELLY: Is the rate per hundred pounds?

Mr. MANION: It is per quarter.

Mr. BRADETTE Speaking of a comparison of shipping insurance rates from Churchill and Montreal can the minister tell us if during the last three years there has been a decrease in the shipping navigation rates between Montreal and the head of the lakes. I have in mind an article which appeared in some of the newspapers last fall to the effect that certain interests were trying to paralyze the activities at Churchill by lowering the navigation rates from the head of the lakes to Montreal.

Mr. MANION: Without a doubt the rates during the last couple of years from the head of the lakes to Montreal have been exceedingly low. One cargo in fact went down from the head of the lakes to Montreal for 2¾ cents a bushel, an almost unprecedentedly low rate. But that was only one cargo. Many cargoes, however, went down for 3½ cents. The average for the season last year, as I stated in the debate on tolls for canals the other evening, was something under five cents a bushel from the head of the lakes to Montreal.

Referring to the second portion of my hon. friend's remarks, the low rate last year from the head of the lakes by water to Montreal would undoubtedly cut into Churchill, and into Vancouver to a certain extent because the lake route has advantages certainly over Churchill and possibly over Vancouver in that a shipload of grain coming down from the head of the lakes may stop at Port Colborne or go to Buffalo, continue to Montreal, or stop at Prescott, or be stored at Port Colborne or at Buffalo, and then shipped to New York or Montreal, perhaps get into some of the mills there or be shipped clear across the ocean. It is a route with many outlets, and that is one of the disadvantages that the Churchill route is up against, because once grain goes up to Churchill in the fall, when navigation is closed, it is tied up at Churchill until the following year and cannot get out either by water or by rail, for there would not be a haul back by rail, whereas grain coming down from the head of the lakes to Montreal has many outlets by rail at any season of the year, and many different routes by which it may go by water. I do not think it probable that the low rates of last year from the head of the lakes to Montreal will continue indefinitely because it is not likely that the shipping interests will permit operation at such a low rate, but if those low rates did remain, they would undoubtedly cut into the business going out of Churchill, and out of Vancouver to a certain extent.

Mr. DONNELLY: Does the wheat stored at Churchill during the winter months get a special rate or pay one-thirtieth of a cent per bushel a day?

Mr. MANION: I thought it was a lower rate than Montreal, but my deputy says that it is the same. At any rate it is a very low rate, one-ninetieth of a cent per bushel per day at Churchill, which is the lowest rate at any port in Canada, and a lower rate, as I read it here, than the Montreal rate. At all events it is equal to, if not lower than, the lowest rate in Canada.

Mr. DONNELLY: That is only for the winter months?

Mr. MANION: Yes, although we have been giving very low rates to encourage the port and give it a fair trial.

Mr. McINTOSH: There are three observations that I would like to make to the minister. One is as to giving credit where credit is due. That is a principle that I think is quite correct in public business and in private life. The minister paid tribute to the Hon. Howard Ferguson and to the Saskatchewan government for their services in building up public opinion in favour of the Hudson Bay route and business over that route. It seems to me that the very foundation of the development of traffic over the Hudson Bay railway and route from Saskatchewan to the markets of the old land and Europe has been largely the effective work done by the Saskatchewan traffic council. The council represents the boards of trade of the province, the boards of trade of Regina, Weyburn, Moose Jaw, Saskatoon, Prince Albert. Yorkton, North Battleford, Swift Current and other cities. This council, as I understand it, has organized the business men of Saskatchewan into a solid business unit for developing business for the Hudson Bay route.

This council is cooperating with the Saskatchewan government. As the minister has been handing out parliamentary bouquets this afternoon to Mr. Ferguson and the Saskatchewan government I think we ought also to hand out a parliamentary bouquet to the wheat pool, farmers and the business men of the province of Saskatchewan who are doing their best to develop traffic over the Hudson Bay route to the markets of the old world. Perhaps the minister after making reference to the two parties I have mentioned, will also give his support to the good work that is being done by the Saskatchewan traffic council, under the able leadership of Mr. Smith, who is an organizer of splendid ability.

Mr. MANION: I have no objection. I have no doubt that they have been doing good work. I am, however, not so familiar with their work. I remember that a year or so ago some of them called upon me in my office, and through that call I think Mr. Ireland was ultimately appointed by the government of Saskatchewan as traffic solicitor for the Hudson Bay route. I am very glad indeed to give credit where credit is due, but I did not know so much about the work of the council as I did about the work that Mr. Merkley and the Saskatchewan government were doing, and Mr. Howard Ferguson.

Mr. McINTOSH: I was quite sure that the minister would, as he has explained, give credit to the council and business men of Saskatchewan for the good work already accomplished. At the meeting of the traffic conference at Saskatoon last fall a representative of the Department of Trade and Commerce was present and I could readily see that not only the railway department but the Department of Trade and Commerce was quite anxious to further the work referred to.

There is another observation I wish to make namely, that with regard to the pledge that was made by the present government in 1930. I will quote just a line of it. It ran thus:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay railway and the construction of such branches as may be necessary to render it most readily available to every part of Canada.

I do not know whether I should take advantage of this opportunity to say a word in connection with branch line development in northwest Saskatchewan as a link in the development of Hudson Bay traffic. I think I shall make a brief contribution on that subject at some other time. What I want to say now is that in reference to that pledge I asked the minister a question in the house on Friday, February 16, just a week ago today, concerning employment at Fort Churchill. My question was this:

> I have a question to direct to the Minister of Railways (Mr. Manion). It is directly connected with possible port development at Churchill this summer. Many unemployed men in northern Saskatchewan are anxious to obtain work at Churchill. Can the minister make a statement that will clarify the situation regarding employment at Churchill during the next few months?

The minister very kindly answered:

> I will deal with that matter when the estimates are up. I think there will be plenty of time.

I was wondering if the minister was prepared to make any observations on that matter at the present moment.

Mr. MANION: Yes, and I am very glad that my hon. friend has brought it up because frankly I had forgotten. We have had in the past few years a large number of men at Churchill. Two years ago we had about six hundred of our own men, and last year about 350. In the coming year the number will naturally be considerably decreased. My hon. friend was speaking particularly of the North Battleford district?

Mr. McINTOSH: Northern Saskatchewan and especially the North Battleford business and farming area.

Mr. MANION: My hon. friend must remember that Churchill is in the riding of the hon. member for Nelson (Mr. Stitt). My hon. friend has been a member of this house for quite a number of years and he knows that where works are carried on in a particular riding the employees engaged are taken from that riding as much as possible, especially when there are large numbers of unemployed. I think that at least 300 out of the 340 came from the constituency of Nelson. In the coming year we do not expect to have the same number; last year we had from 300 to 350 while next year we will need only about 150. With the exception of a few trainmen who cannot be obtained in Nelson, the large proportion of employees were from that constituency. I think it is only right that that should be done as this has been the policy of all governments. We had to bring in grain elevator men who could not be supplied at Nelson. We brought in some men to work on the tugboats. A few of these men were brought from Nova Scotia, some from Quebec and some from Niagara Falls and other points on the great lakes. Most of the grain ele-

vator men come from the head of the lakes. This is the largest grain centre in the world and best able to supply such men. Some came from Winnipeg. We have endeavoured to scatter this employment, but I repeat that it is only fair that when work is being carried on in a particular constituency, most of those employed should come from that locality, especially when there are a large number of unemployed.

Mr. McINTOSH: I thank the minister for his statement, but there is another observation I should like to make. This is based on a communication I received from the Hudson Bay Junction board of trade and has to do with a matter brought before this committee this afternoon, namely the building of a warehouse at The Pas. The letter reads in part as follows:

> A few weeks ago the Interprovincial Traffic Conference, meeting in Saskatoon, passed a resolution asking the Hudson Bay railway to build a warehouse at The Pas, Manitoba, for storing such goods as binder twine, wire fencing, et cetera, which would be imported by the bay route during the season and gradually sold throughout the balance of the year.
>
> There are two reasons why the government should not expend money on the proposed warehouse at The Pas.
>
> The first is that every pound of freight coming in by way of the bay to consumers on the prairies must pass through Hudson Bay Junction, which is ninety miles nearer the consummer than is The Pas. I need not labour this point, as it will be perfectly obvious to you that the nearer to the consumer the goods can be hauled in carload lots, the shorter distance the consumer will have to pay local freight rates; consequently, the more money he can save. A single instance—taking all factors into consideration, a merchant at Yorkton buying barbed wire in less than carload lots would save eight cents per hundredweight if the distribution were made from Hudson Bay Junction instead of The Pas. In varying degrees, the same thing is true of all commodities.
>
> The second reason is that there are already private companies interested in building such warehousing facilities in Hudson Bay Junction entirely at their own expense, and who are only deterred from doing so by the possibility that the government may be building in opposition to them at The Pas. Where wholesalers or others are prepared to make this expenditure, it would seem to be both unnecessary and inexcusable for the government to make it.

This letter is written by the secretary of the board of trade and is dated February 19, 1934. I have no desire to enter into any controversy between The Pas and Hudson Bay Junction in connection with the building of such a warehouse, nor do I wish to interfere in any way with the development of activities at The Pas, which is in the riding of the hon. member for Nelson (Mr. Stitt), but I thought it would be wise to give the committee these facts in order that it may know any money spent at either place in the future may be spent wisely.

Mr. MANION: The railway is not likely to go into the storage warehouse business. At present there is a shed at Churchill measuring three hundred feet by one hundred and seventy-five feet and having a capacity of about 5,000 tons. Towards the end of the season this could be used for storage. At the present time no railway builds these storage warehouses.

Mr. DONNELLY: I was rather surprised at what the minister said with regard to the bringing in of coal. He stated that coal brought in to Churchill could compete only within 300 miles of that port. I should like to know if he was referring to soft coal or to Welsh anthracite. This latter coal is used in Winnipeg and I cannot see why it could not be brought in through Hudson bay and sent down to Winnipeg just as cheaply as from Montreal.

Mr. MANION: I was referring to old country coal. The figures I gave were not my own but were those compiled by experts. They state that British coal will not compete with Canadian coal beyond 300 to 350 miles south of Churchill. I am informed that coal can be taken up the lakes and shipped to Winnipeg at a rate cheaper than that which would apply to shipments via Churchill. It is a startling fact when one realizes that Winnipeg is about a thousand miles south and east from Churchill. That means a long rail haul, whereas coal being landed at the head of the lakes has a rail haul of only about 425 miles. It can be moved more cheaply from Montreal than it can around by Churchill.

Mr. DONNELLY: Practically all western cities are using American anthracite brought in through Fort William and the people on the prairies cannot understand why coal could not be brought in to Churchill just as cheaply as American coal can be brought in through Fort William.

Mr. MANION: American coal pays only about 17 cents per ton from the coal fields to the head of the lakes.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 16, respecting the Canadian Pacific Railway Company.—Mr. Davies.

SUPPLY

RAILWAYS AND CANALS

The house again in committee of supply, Mr. Gobeil in the chair.

Railways and canals—chargeable to capital—Hudson Bay railway and terminals—construction and betterments (including E. B. Jost at $2,250), $550,000.

Mr. RALSTON: Is there at the present time any aerial service on Hudson bay particularly in connection with ice conditions?

Hon. R. J. MANION (Minister of Railways and Canals): There is none at present and there has been none since 1928 or thereabouts.

Mr. RALSTON: The minister was asked this afternoon with regard to a small quantity of coal that came into Churchill. I understood him to say that this coal was transferred to the Department of Marine.

Mr. MANION: No. The first boat that came in during the first season had about 500 tons of coal which they wanted to get rid of.

Mr. RALSTON: Excess bunker coal.

Mr. MANION: Yes; we took that over from them. It was only 500 tons, and it did not make any particular difference. That was in 1931. Last year the Department of Railways and Canals transferred to the Department of Marine one of the dredges at Churchill and got credit for half its original cost. To transfer that dredge we needed a high B.T.U. coal because of the small space available therefor on the dredge and the tug; accordingly it was decided to use Welsh coal, so we took about 1,100 tons for that purpose. That is the only coal that has been brought in via Churchill.

Mr. RALSTON: The dredge and tug were taken from where to where?

Mr. MANION: From Churchill to the St. Lawrence river, to Gaspé.

Mr. RALSTON: Transferred to the Department of Marine?

Mr. MANION: Yes.

Mr. DONNELLY: Can the minister give us the difference in price between coal laid down in Churchill and that laid down in Montreal?

Mr. MANION: We have not any prices. I thought my hon. friend meant Welsh as compared with western coal.

Mr. DONNELLY: What is the price of Welsh coal laid down in Churchill?

Mr. MANION: It costs us $6.80 laid down in Churchill.

Mr. RALSTON: Is that the coal which was used on the dredge and tug?

Mr. MANION: Yes.

Mr. RALSTON: The minister spoke of the B.T.U. content of the coal; would it be 13,000 or more?

Mr. MANION: I am informed that the Welsh was 13,000 as compared with about 11,000 for western coal.

Mr. RALSTON: What about eastern coal?

Mr. MANION: No eastern coal has been brought up there. I should be very glad to get it; I would rather see eastern than Welsh or British coal. That would be a logical movement for coal, but there is no sign of it coming that way. Of course, ships coming in have been from the other side, from Britain, and if they had a cargo, they would bring it from over there. There is no sign of any maritime province coal being brought in. If we are to have competition with western coal I would rather have it with Canadian than British coal.

Mr. RALSTON: Perhaps I was not listening as I should have done this afternoon. Do I understand that cargoes of coal have come in?

Mr. MANION: None except what I mentioned just now.

Mr. RALSTON: And this Welsh coal that was used for the purpose of taking the dredge to Gaspé was some that had been bunkered?

Mr. MANION: No, it was brought in for this purpose: on account of the lower B.T.U.'s of western coal and the small space available for coal on the tug and dredge, we had to take coal with a high B.T.U. content. Therefore we got the Welsh for that purpose.

Mr. RALSTON: Was a cargo or just a small quantity brought in?

Mr. MANION: It amounted to 1,160 tons or thereabouts. It would not be a cargo, simply a partial cargo.

Mr. RALSTON: Just a small parcel ordered for shipment on some grain boat that was coming over?

Mr. MANION: Yes.

Mr. GERSHAW: Where will the men be hired who are to work in Churchill, and can any man who reaches Churchill get a job?

Mr. MANION: This year we shall require only about 150 men. Last year we had about 350 and the previous year, about 600. This year, as so few are required and as there is great unemployment in the town of The Pas, it was decided that in all probability 95 per cent of them would come from that district, the other five per cent being made up of a few trained men for special tugboat or grain elevator work.

Mr. RALSTON: I should like to get an exact idea about the importations of coal via Churchill. Do I understand that the only coal which has been brought in is this 1,100 ton parcel, plus a parcel of about 500 tons left over in Churchill?

Mr. MANION: That is right.

Mr. RALSTON: The rest of the coal used there has been western?

Mr. MANION: That is correct. We use about 5,000 tons a year of coal from the west.

Mr. RALSTON: Lignite or bituminous?

Mr. MANION: Bituminous.

Mr. RALSTON: Has the department looked into the question of cost of bringing maritime coal in there?

Mr. MANION: I am informed that we have no figures. I did not know that we had looked into it at all. It would be a matter of some steamship that might be in the St. Lawrence taking on a load and bringing it around to Churchill.

Mr. RALSTON: Not necessarily the St. Lawrence.

Mr. MANION: No, but in the martimes and the St. Lawrence; in some of our Canadian ports. It is not likely that a British ship would come across and pick up coal there.

Mr. RALSTON: Is there any traffic at all between either the St. Lawrence or Nova Scotia and Churchill?

[Mr. Ralston.]

Mr. MANION: There has been only the Hudson bay steamer, the Nascopie, which goes around annually. A year or so ago a small boat was taken in by Bishop Turquetil for his own use. There has been no local traffic. There have been one or two ships from Montreal that have come into Churchill, taken a cargo and gone back to Montreal, but there has really been no traffic between the two sections.

Mr. VENIOT: Supplies have also been taken in by water from Halifax.

Mr. MANION: That is quite right, but the hon. member for Shelburne-Yarmouth asked as to the traffic. There have been no cargoes beyond a few taken in at the time of the original construction, some to Port Nelson and the others to Churchill. But at the present time practically everything comes by rail from The Pas.

Mr. RALSTON: Is the situation such that all the supplies necessary can be got from the west, that there is no need of the department bringing up supplies say from the maritime provinces or the St. Lawrence?

Mr. MANION: No, we get everything from the west.

Mr. RALSTON: So there is no prospect at the present time of having any steamers run from the maritimes or the St. Lawrence, as far as the departmental work is concerned?

Mr. MANION: No, not as far as the departmental work is concerned.

Mr. MacMILLAN (Saskatoon): Has any one in the maritime provinces endeavoured to create trade through Churchill from the maritimes?

Mr. MANION: Not that I know of, but I presume that is a matter that would be gladly gone into by maritime province interests if they had the opportunity. The traffic has been very light. The only outward traffic has been grain, with the exception of a cargo and a half of general freight that went in, and one cargo of cattle and a few other commodities that came out.

Mr. VALLANCE: This afternoon there was some discussion on this item regarding the operation of the elevator at Churchill. I would like to ask the minister if he has the information at hand as to how many men were engaged at the elevator last year to handle the volume of grain he mentioned. While the minister's assistant is looking that up I would like to ask if they are affected by the ten per cent cut as government employees?

Mr. MANION: Those employed the year round would be affected.

Mr. VALLANCE: How many would that be?

Mr. MANION: It is being looked up.

Mr. HEENAN: The point that is brought out now takes us back pretty much to where we were the other evening when discussing the principle of the ten per cent cut. I hardly think it is fair that the minister should ask us to vote on an item in which is included salaries or wages. Items involving the ten per cent deduction were allowed to stand the other night, the minister was very decent about it, but now we are asked to pass on an item such as the house and the minister himself previously decided should be allowed to stand.

Mr. MANION: First I will answer the question of the hon. member for South Battleford (Mr. Vallance). Thirty-seven is the number.

In regard to the statement of my hon. friend from Kenora-Rainy River (Mr. Heenan), I admit that that was brought up the other night, but none of the other three items that were dealt with to-day included any employees. They were surveys and inspections, printing and stationery, and pensions on the Prince Edward Island Railway. This of course takes in, in addition to the temporary men working there during the summer, some year round men. But I cannot see what difference it makes, because the question of the ten per cent will be decided as a whole, and even if an item carries at the present moment in which there may be a few employees who would be affected, they will be treated exactly the same when the time comes as those who come under the civil government estimates.

Last year when this question arose no item was held up except the civil government estimates. We went on and dealt with all such items as this. With all respect I suggest that we should do exactly the same this year. When the question whether or not there is to be a cut is finally settled, certainly if this item should be carried to-night these men will not be in any different position from others where the item has not been carried. I should not agree to my department being treated differently from any other. I submit with all respect that there is no reason for holding up the business of the house because of this. I will agree that we should do exactly as was done last year—not deal with any item of civil government. I think that is a good precedent.

Mr. HEENAN: Can the minister give us any idea when the government contemplates bringing in some measure on which that matter will be decided? We want to be as accommodating as possible. I think the minister is very reasonable in his request, nevertheless when we pass one item we are passing on a principle. Speaking for myself, as the minister would say, I think we might do as he suggests, but really the house should know something about what is contemplated, rather than just go on promiscuously passing one item and another affecting thirty men here and ten there. These are the items on which I personally detest voting this cut even more than to the civil service generally, because here we have thirty, forty and fifty cents an hour men, and we are passing these items but holding up those that perhaps involve $6,000 or $8,000 a year men. I think the minister will realize the predicament that puts the opposition in. I want to facilitate the business of the house as much as I can—

Mr. RHODES: Mr. Chairman, if my colleague does not object, might I say with all deference to my hon. friend from Kenora-Rainy River that I do not subscribe to his point of view that the situation is such as to place the opposition in a predicament. We have naturally and I think properly yielded to their request not to proceed with civil government items involving the ten per cent cut. Coming to the other items, if you follow that idea in its ramifications there are very few votes that we could pass at all, and very little supply we could deal with. I submit to my hon. friend that in having protested against the ten per cent cut he is fully protected. He is not prejudiced in the slightest degree by these items passing, for example the one under review at the moment. I will ask my hon. friend to believe me when I say that every hon. member on this side of the house is just as anxious that the ten per cent cut should not be made effective this year as is my hon. friend or any of his associates on that side. The sole determining factor as to whether the cut will or will not take place is the question of the revenue, and the longer we defer a decision the better are the chances of the civil service to have that ten per cent restored. I may say this, and I say it not as captious criticism but merely as a statement of fact, that the attitude of the opposition in forcing the government to come to a decision in order to make progress in the passing of the estimates is not serving a helpful purpose as far as assistance to the civil service in the restora-

tion of the ten per cent cut is concerned. When the heads of the various civil service organizations met me last autumn I explained to them that it would be impossible to come to a decision then, and pointed out that inasmuch as we have to have the estimates prepared for parliament before a decision could be arrived at, we would have to set them up on the basis of a ten per cent cut. They quite understood the position and subscribed to it. I was to have a subsequent meeting with them, which will be in the very near future. Let me say this to my hon. friend that whatever action may be taken with respect to the ten per cent cut, it will have to be by specific legislation.

Mr. MANION: And it must be uniform.

Mr. RHODES: His position will not be prejudiced in the slightest degree if this item should pass in its present form.

Mr. HEENAN: I do not propose to cover the ground again with regard to the principle, and so on. After listening to my hon. friend the Minister of Finance and realizing, not only by his words but by the look on his face as well, that there is some hope of the civil service getting their full salaries again, I will let the matter go as long as I can.

Mr. VALLANCE: With all due deference to the Minister of Finance, I do not think it is fair to place on us the responsibility for the civil service not being given back the ten per cent deduction this year. I do not think it is fair for the minister, in spite of the kindly manner in which he has broached the subject, to place us in that position.

Mr. RHODES: I do not wish to place any responsibility upon the opposition other than to indicate that to hasten a decision would lessen the likelihood of that decision being favourable. That was all I said; I did not mention responsibility, and I may say to my hon. friend that I absolve him from any anxiety with respect to any onus he may have to bear in that regard.

Mr. VALLANCE: That is not the point. I object to the fact that the minister suggests that if we hasten the decision it may jeopardize the chances of the civil service of getting back the ten per cent deduction.

Mr. RALSTON: As I understand it, Mr. Chairman, the decision will have to be made by the end of March, will it not?

Mr. RHODES: Yes, or before.

[Mr. Rhodes.]

Mr. RALSTON: And even if an adverse decision were reached, if the revenues became so abundant that the minister felt the cut could be withdrawn I think he would be able to do it although the first decision had been adverse. I do not think any decision can be made that cannot be recanted if the treasury allows the change to be made.

Mr. RHODES: My hon. friend appreciates the point. I think; if we are held up in proceeding with supply certainly that will have the effect of hastening a decision, but as I have already pointed out, we will have to have a bill this year in any event.

Mr. RALSTON: And before March 31.

Mr. RHODES: Yes.

Item agreed to.

Canals—Trent canal—construction and betterments, $39,500.

Mr. MUNN: Would the minister explain this item?

Mr. MANION: This is for the construction of a supply weir and the raising of the head walls at Big Chute in the neighbourhood of the Georgian bay end of the Trent canal. This is an engineering work the details of which I am afraid I cannot go into, but it is necessary in connection with the power scheme on the Trent canal. I will read one little phrase here:

To correct the unsatisfactory conditions explained above it is proposed to construct a supply weir in the raceway of the commission's power house about 200 feet above the head gates, and to raise the existing permanent head walls to elevation 654, and connect them to the new weir.

Mr. MUNN: That is between the Severn river and Georgian bay?

Mr. MANION: Yes.

Mr. VENIOT: How much traffic was there on the canal last year?

Mr. MUNN: Would the minister give us the maintenance cost?

Mr. MANION: I will give that in just a moment. My hon. friend from Gloucester asked about the traffic. The only traffic on the Trent canal that amounts to anything consists of pleasure craft. There is very little freight of any kind; the traffic is pleasure craft almost entirely, motor boats and so on.

Mr. VENIOT: The government can afford to spend $39,500 on a canal for pleasure craft but it withdraws a vote of $25,000 which was to have helped the fishermen in my county.

Mr. MANION: In that regard may I suggest that if the Trent canal were something new I would sympathize with my hon. friend a good deal more, because certainly I sympathize with his fishermen. But as my hon. friend well knows the Trent canal has been in course of construction for very many years. It was started, I believe, some time prior to confederation, and now it is a case of either keeping the completed works in sufficiently good condition to permit pleasure craft to operate or of simply letting them fill in. We are in the same position with regard to the Rideau canal and one or two others. If we were thinking of building such a canal at the present time for the use of pleasure craft certainly I would support my hon. friend very strongly, but that is not the case. I must add that we have contractual obligations in regard to the hydro-electric development on the Trent canal, as we have on the Rideau and other canals, and incidentally this department obtains a revenue of almost $1,000,000 from hydraulic and other rentals, which is turned into the consolidated revenue fund. It is not mentioned in these estimates but it is an offset against the cost of operating the canals as a whole, which, including upkeep and repairs, amounts to $2,500,000 a year.

Mr. VENIOT: What part of this $39,500 is necessary to keep up the power system?

Mr. MANION: All this money is for engineering works for that purpose. There is an income from the Trent canal, from power, of about $90,000 a year.

Mr. MUNN: Did I understand the minister to say that the revenue from the Trent canal amounts to $1,000,000 a year?

Mr. MANION: No, that is from all the canals.

Mr. MUNN: How much from the Trent canal?

Mr. MANION: About $96,000 a year, mostly from power leases.

Mr. MUNN: I know the situation there fairly well, and I think the minister would be wise to carefully investigate the matter before this money is spent on capital account. I think it is a mistake to spend another dollar on the Trent canal. As I said two or three years ago, you can sit on the bank for a long time, and you will see no traffic except a pleasure boat going up or down once a week or once a month. I think it would be a mistake, at a time like this, to spend money on capital account in connection with that unfortunate undertaking.

Mr. MANION: May I assure my hon. friend that this will be attended to. The passing of an estimate does not necessarily mean that the money will be spent. Of the estimates that actually passed in this house last year we saved nearly $1,000,000; that amount was not spent. This matter has been thoroughly investigated, and I am informed by my engineers that it is necessary to fulfil our contractual obligations with companies getting the power from that canal, but if there should be any way of avoiding the necessity of spending the money I can assure my hon. friend that it will be done.

Mr. MUNN: To make sure there will be a chance of dodging this expenditure I would move that this item be reduced to $1. This is something we can very well get along without. We have too many irons in the fire now; we need the money for other purposes, and I think this is simply a waste of money.

Mr. MANION: I am sorry I cannot accept the amendment, because we require this work in view of contractual obligations.

Mr. RALSTON: Has the minister at hand what those contractual obligations are?

Mr. MANION: I will read the note that has been given to me. I do not like going into details of an engineering proposal, but here is the information:

The works at Big Chute were comprised in the contract for section No. 1 of the Severn division, and included the construction of a weir with head walls of sufficient height for a controlled navigation level above the weir of elevation 651.00. This elevation was fixed with due regard to the required head water level of the Ontario Hydro-Electric Power Commission's development then in operation at Big Chute. When the work on the contract for section No. 1 was virtually closed down in 1919, nothing had been done on the construction of the supply weir, and head walls, partly permanent and partly temporary with top elevation 651.25 formed the only control of the fluctuating level above the commission's power house. The result has been that, with the varying load on the power plant, the existing head walls are from time to time over-topped with consequent flooding below, and during periods of heavy loads, the upper pool is drawn below the level that should be maintained for vessels approaching the department's Big Chute Marine railway.

I read the remainder of this report a minute ago. That is the explanation of the matter, and we are compelled by our contractual obligation with the Ontario Hydro Electric Power Commission to keep it in order.

Mr. RALSTON: That obligation was undertaken in 1919 was it not?

Mr. BENNETT: The engineer states it was about 1919.

Mr. RALSTON: Well then, does the minister really think there is any reason why the work should be done this year rather than next year? That is the point about which hon. members are concerned.

Mr. MANION: I do not presume to pass an opinion, but my engineer informs me that there is a danger of a collapse of the engineering work. It might last next year and the year after, but it might not. If one of those dams or other engineering works collapsed a great deal of injury might be done. That is the whole question. Of course, we might be fortunate enough to stave it off for another year or two, but, as a matter of fact, when considering the estimates this was one item which was discussed at length. I considered cutting it out, but my engineers urged it was absolutely necessary that it should remain. I did not like to take the responsibility of overruling their judgment.

Mr. MUNN: If the Hydro Electric are so keenly interested make them a present of the whole Trent canal.

Mr. MANION: They might not take it.

Mr. MUNN: We would be rid of an obligation, and would be doing something for the benefit of the Dominion of Canada.

Mr. MANION: There are many things in Canada of which we would like to make presentations, but I am afraid they would not be considered acceptable gifts.

Mr. MUNN: Get rid of it. It is costing over $100,000 a year for maintenance of the Trent canal, and what do we get for it?—nothing.

Mr. LUCAS: Are there any figures to show what has been the total cost to the country of the Trent canal?

Mr. MANION: Yes, I have them. These figures may not be quite fair, but I have the totals added up from a time prior to confederation. From that date to the year 1879 the figure is $309,000. Then, from 1879 to 1931, inclusive, a period of about fifty years, the figure is $19,500,000. Then, there is an estimated cost for completion. Of course that is an estimate for the future; since we came into power we have not done anything towards completion. The estimated sum is $3,000,000 for completion through to the Georgian bay. The uncompleted portion extends about forty miles from Georgian bay, and it is not our intention, under present conditions, to complete the work through to the bay. However, over $19,000,000 has been spent between a date prior to confederation and to-day. At the present time the expenditures for staff and repairs amount to over $200,000 per year, while the revenue is about $96,000.

We must remember, of course, that one of the big industries in Canada to-day is the tourist traffic. Without doubt it has been of great importance. The figures show that last year Canada profited by the tourist trade to the exent of well over $100,000,000, and that even in a depressed year. To be fair, the Trent canal is a very popular tourist route for people coming from the other side particularly, and for many of our own people.

Mr. MUNN: How do they get in from the other side?

Mr. MANION: They leave at Trenton on lake Ontario and travel from there to within forty miles of Georgian bay.

Mr. MUNN: I protested two years ago, and I am protesting again against expenditures on this canal system. Before the capital expenditure is made I do hope the minister will make a careful investigation. If he can come back next session and tell us he has decided it was not necessary to make the expenditure, I shall be very happy.

Mr. MANION: In view of having cut down by nearly $1,000,000 last year it is quite possible we may do that.

Mr. VENIOT: As I understand the minister, the contractual obligations were undertaken in 1919 or thereabouts, and the work for which he is asking this amount is the construction of a weir and the raising of a head wall so as to control the head level. It appears at the present time that level is not controlled. The varying loads forced the water over the head wall, thereby causing some inconvenience below. That condition has existed for the last eight or nine years—

Mr. RALSTON: For fourteen years.

Mr. VENIOT: Yes, from 1919, and I cannot see any great necessity for expending this money this year, especially under the conditions existing in Canada to-day and at a time when the government feels compelled to

reduce expenditures on undertakings of greater importance to the public in general than this undertaking would be. The minister has said that the canal system is a great tourist highway. I agree with him that the tourist trade in Canada is of great benefit, but there is not one dollar of this item to be expended for the betterment of the canal for tourist purposes. It has now been made known that the expenditure is to meet a contractual obligation agreed upon in 1919. Yet from 1919 to 1934 not one dollar has been expended to meet the condition which has been prevailing through all these years. In face of the fact that the government feels it cannot expend money which has already been voted by parliament for the expansion of industry in Canada, it should not be spending this amount of money on the Trent valley canal towards the betterment of a condition which could exist for a number of years to come.

Mr. MUNN: I do not wish to delay the committee, but there is one further word I should like to say. It is well known that the Ontario Hydro Electric Power Commission have more power now than they need; they have far more than they know what to do with, and I would suggest to the minister that he should go to the commission and, if possible, get out of this contract. Make them a present of it.

Mr. BLAIR: I wonder if the minister can tell us how many boats were on that canal this year?

Mr. MANION: Although I have not the number of boats, I may tell the hon. member that there were 5,000 lockages.

Mr. RALSTON: What was the total tonnage?

Mr. MANION: They were only pleasure boats; we do not keep track of the tonnage.

Mr. RALSTON: I understand the minister to say that the expenditure of $39,500 will not increase the revenue-gaining capacity of the canal.

Mr. MANION: No.

Mr. RALSTON: Well then, the situation is that we have an expenditure of $200,000 for maintenance, repairs and so on, and a revenue of $96,000. We now have a proposal to make a capital expenditure of $39,500, without any increase in revenue. Could the minister give us a general outline of what the arrangement is with the Hydro Electric?

Mr. MANION: I am very sorry that my officers have not the information and I have not got it in my book. I am informed by the officers, however, as I was before the item was put in, that the matter is a contractual one and the damages that we might be sued for by the hydro might be very much in excess of any costs at the present time. I do not want to pretend that I am any more enthusiastic about this canal than my hon. friend over there or any other hon. gentleman, but Canada in its wisdom, or lack of it, has for the last sixty or seventy years been spending money on this Trent canal, as it has been spending money on the Rideau canal, and while an argument might well be made that neither of them should have been built, certainly from the economic standpoint, nevertheless they were built. I do not wish to use the tu quoque argument, but my hon. friends opposite carried on when they were in power just the same as we are doing. I am not responsible for the agreement.

Mr. MUNN: Why bring that up? We are talking about the future.

Mr. MANION: I bring it up because it happens to suit me to do so. My hon. friend sat over here for a number of years and I never heard him objecting then to this agreement.

Mr. MOTHERWELL: He was not here then.

Mr. MANION: Well, in previous years I do not remember the hon. gentleman making any particular objection to this expenditure.

Mr. REID: He did two years ago.

Mr. MANION: He could not have objected hard enough for me to remember. The late government—I am not saying this to justify our action to-day—carried on exactly the same as we are doing. When we were in opposition we sometimes used to ask why the Rideau canal and the Trent canal were kept going, but they were kept going, and we are keeping them going, and if our hon. friends opposite ever have the luck to get into power they probably will keep them going too. I do not like appealing for support of an item which is very difficult to defend, because I admit that the expenditure on that canal is very difficult to defend, but the canal is there and contractual obligations are in existence, and because it happens to be the Hydro Electric Power Commission of Ontario it is none the less a contractual obligation. I have had a few deals with them, and from the standpoint of getting a settlement in the

case of any dispute I have found them as hard a group to deal with as any private corporation. I do not wish to get into any lawsuit with the Hydro Electric Power Commission of Ontario. I ask my hon. friends to let this item pass, and if we do not require to spend the money I shall be very glad indeed to see that it is not spent. I am no more anxious to spend it than any other hon. member. Last year, for instance, we held up the expenditure on nearly $1,000,000 worth of estimates passed by this house, and I shall not hesitate to hold up the expenditure on this if the money is not required to be spent.

Mr. RALSTON: I presume that in the past the expenditures that were made were capital expenditures. But I would point out that we are in a very different position to-day with regard to revenues from what we were a few years ago. Then we were not facing what will probably turn out to be a deficit of from $35,000,000 to $50,000,000 on current account. That makes a big difference, and that is why we should be all the more careful about spending money that we do not absolutely have to spend.

With regard to contractual obligations, as I understand it from the memorandum which the minister read, the obligation was not to the hydro, but the danger was on account of the inconvenience to boats of greater draft than could be accommodated if the water was run off over these head walls. That is different from a lawsuit for damages such as my hon. friend suggests might come from the hydro. My hon. friend has not the contract with him, but I would ask if he would be good enough to bring it down and lay it on the table or present it to the committee when his estimates are up again.

Mr. MANION: Very gladly.

Mr. MUNN: In the meantime let the item stand.

Mr. MANION: I have no particular objection because frankly I did not have as much information as I would wish to have.

Item stands.

Welland ship canal—construction and betterments, $250,000.

Mr. MITCHELL: Why the enormous difference in the expenditure this year as compared with last?

Mr. MANION: The chief reason is that we have built the canal. I did not intend to give my hon. friend a short answer, but the answer in brief is that the canal is finished. This amount of $250,000 is largely for cleaning up purposes, to deal with contractors, for instance, who have claims and may get judgments, and so on. Most of this sum, half of it at all events, is for the purpose of levelling off slopes where there have been landslides, and for trimming up fag ends. The canal was opened two years ago, and the work is practically finished. I shall be glad to give any other information but I think that covers the ground pretty well.

Item agreed to.

Canals—improvements, $211,500.

Mr. RALSTON: Is this an annual vote?

Mr. MANION: Yes, a general vote for improvements on the canals throughout the country. My hon. friend knows we have a very large number of canals, the Murray canal, the Carillon and Grenville canals, the Quebec canal, the Lachine canal, Ste. Anne's lock, the Soulanges canal, the Trent canal, the Welland ship canal—

Mr. RALSTON: And St. Peter's.

Mr. MANION: I forgot that.

Mr. MUNN: And the Rideau.

Mr. MANION: None of this expenditure is for the Rideau canal. It is for ordinary improvements.

Mr. RALSTON: Does it include repairs as well as improvements?

Mr. MANION: I will read the details. It is for the replacement of structures which, in the course of years, have become unstable, obsolete or beyond repair; the replacement of equipment which is worn out; the enlargement or realignment of navigation channels, where such improvements are warranted; the substitution of more permanent construction on works where maintenance of the existing structures involves abnormal costs; general improvements that are necessary for the proper protection of canal property or that will give a reasonable return for the amount expended.

Mr. RALSTON: What proportion of this is to be spent on the realignment and improvement of canal channels?

Mr. MANION: I should say almost none or very little at the present time.

Item agreed to.

Miscellaneous services—including salaries of experts employed temporarily, $33,500.

Mr. MANION: We dealt with this item the other evening for about an hour and a half—

Mr. RALSTON: Was there not an agreement that it should stand on account of the ten per cent cut?

Mr. MANION: It is in exactly the same position as the item we were dealing with a little while ago. We discussed it very fully the other evening, when I gave all the details down to the last cent, which appear on Hansard, but because of the objection which my hon. friend from Shelburne-Yarmouth (Mr. Ralston) has just mentioned, and which was made the other evening, the item was held up. But as the item was discussed very fully the other evening, and as I think we should treat all these items uniformly, I trust hon. gentlemen will let it pass so that it will be in exactly the same position as the other items.

Mr. HEENAN: I think I was one of those who took part in the discussion of this principle last week. If we are going to vote any items concerning the outside services, I do not see why we should hold up any particular one. We are passing item after item with regard to wages and then we are attempting to hold up one particular item. Personally, I am inclined to allow this item to go through, especially as the government has placed itself on record as saying that there is a possibility that the ten per cent deduction will be restored. In view of that statement, I am ready to withdraw my opposition.

Mr. MITCHELL: A question was raised the other day in connection with an engineer who was drawing $6,000 per year. I should like to know if he was subject to the ten per cent deduction.

Mr. MANION: He is not. He is hired by the month at a salary of $500 monthly, with an allowance of $800 for living expenses.

Mr. MITCHELL: Are labourers who are hired temporarily, say for 35 cents an hour, subject to the deduction?

Mr. MANION: Yes. An exception was made in the case of this engineer because we could not get him for any other figure. I explained the other evening that he was an outstanding engineer and we required one of that type for this work in connection with Beauharnois.

Mr. MITCHELL: That may be true; on the other hand we may have an outstanding labourer, an outstanding electrician, or even an outstanding minister of railways, but in each case he would be subject to the ten per cent deduction. I do not see why we should differentiate between an engineer and anyone else, regardless of what value his services may be considered to have. If I remember correctly, special legislation was passed to take care of judges and others in the employ of the government who could not be touched by the legislation in connection with the civil service in general.

Mr. MANION: I can assure my hon. friend that there was no discrimination. This gentleman was hired by the month; he is a temporary employee and this was the best arrangement we could make to get him. The man who had been employed previously was not considered capable of doing this work. We felt we had to have an exceptionally good engineer and we were able to get this gentleman. He stands very high in engineering circles and we thought we were doing pretty well to get him. That is the only answer I can make.

Item agreed to.

Canals, elevators and harbours—operation and maintenance, $2,400,000.

Mr. MANION: This is a large item but it covers the whole operation of the canals and elevators, including staff and repairs. There is the Port Colborne elevator, the Prescott elevator and the Churchill elevator and harbour. In this vote is included $1,454,000 for staff, which is largely permanent, and $945,000 for repairs of the canal system and elevators throughout the country.

Mr. RALSTON: This vote would include $200,000 for the Trent canal?

Mr. MANION: Yes.

Mr. VALLANCE: How does the minister propose to make this saving of $338,720?

Mr. MANION: If my hon. friend will remember, the Minister of Finance (Mr. Rhodes) promised a reduction of $12,000,000 or $14,000,000. We all had to scrimp to do our share. For example, we were able to dispense with certain services. The bringing in of the Welland canal caused a temporary rise in expenses but after it is settled down and has completed the transition period from construction to operation, there will be a reduction in expenses. Various savings of this kind have been made.

Mr. VALLANCE: Could the minister give the committee the number of persons employed in the government operated elevators?

Mr. MANION: We operate only the Port Colborne, Prescott and Churchill elevators.

A few minutes ago I gave the number of men employed at Churchill as 37; I should imagine the total for the three elevators would be a little over 100.

Mr. BOTHWELL: Could the minister give us the revenue which would be an offset to this item?

Mr. MANION: In round figures, the revenue is just a little under $1,000,000. This revenue would not show in our figures, as it all goes into consolidated revenue.

Mr. RALSTON: How does that amount compare with the expenditures for the year ended March 31, 1934?

Mr. MANION: Of course there is still part of February and all of March, and it is a little difficult to give figures. If the discussion continues I shall endeavour to get the figures, but I cannot give them at the moment.

Mr. VALLANCE: Are the elevators operated by the government paying their operating costs?

Mr. MANION: The elevator at Port Colborne is, but those at Prescott and Churchill are not.

Mr. VALLANCE: To what extent is the government losing on the three elevators?

Mr. MANION: My officers tell me that they have not the total figures. I know that last year the elevator at Port Colborne was able to do a little better than meet operating expenses. It was one of its poor years, but it did fairly well. The revenue for the last two years was as follows:

1932-33

Churchill	$ 11,000
Port Colborne	201,000
Prescott	28,000

1933-34

Of course the year is not yet completed:

Churchill	$ 58,000
Port Colborne	148,000
Prescott	65,000

It will be seen that the revenues for Churchill and Prescott have risen some and those for Port Colborne have diminished because of the small quantity of grain that was handled last year.

Mr. MOTHERWELL: I presume the three elevators under my hon. friend's department are still under supervision of the board of grain commissioners?

Mr. MANION: Yes.

[Mr. Manion.]

Mr. RALSTON: I should like to get an approximate idea how the $2,400,000 compares with what will be the expenditure for the year ending March 31, 1934.

Mr. MANION: The expenditure for last year is about $2,500,000, or about $200,000 less than the estimate last year and $100,000 more than the estimate for the coming year.

Mr. HEENAN: Let me ask this question again in order to make it quite clear: In a vote of this kind there must be a great deal for wages. In the event of the government deciding to do away with the ten per cent deduction, will these men get the benefit?

Mr. MANION: I can assure my hon. friend that I would not consider I was doing my duty in the department if that were not done. I would not agree to other departments, simply because they did not happen to have their estimates passed as early as mine, receiving different treatment from this one.

Mr. RALSTON: Is my hon. friend inserting that extra $100,000 in order to take it off later, or is there a prospect of increased business even in spite of the wheat agreement?

Mr. MANION: My hon. friend perhaps misunderstood me. I said that the estimate last year was $2,700,000 and the expenditure, about $2,500,000. This year the estimate is $2,400,000.

Mr. VALLANCE: Is there a possibility that the Prescott elevator will now be a little busier because of the completion of the Welland canal?

Mr. MANION: My hon. friend is quite right. It has been quite busy. The figures I gave showed a better return this last year than previously. We have had at least two or three private companies nibbling around, wishing they might rent it, but none of them has come through with an offer worthy of consideration. If they do, I should be very glad to unload it with some of the other things it has been suggested we might unload.

Mr. HANBURY: What profit was made in the operation of the Port Colborne elevator? The minister said there was a profit, but he did not give the figures.

Mr. MANION: The revenue for the Port Colborne elevator amounted to $148,000, and the expenditure was $95,000; that would be a profit of about $53,000.

Mr. HANBURY: Does the profit include any interest charges?

Mr. MANION: No.

Mr. HANBURY: What would be the investment in that elevator?

Mr. MANION: About $2,000,000 or $2,500,000.

Mr. HANBURY: No depreciation?

Mr. MANION: No; we keep the repairs in good shape. It has been a very active elevator until recently when the traffic has been decreasing throughout the country and a good deal of the grain has gone via the western route, which fact has cut in on the traffic via the east.

May I point out to my hon. friends that I did not touch the item of civil government that was held up last year.

Item agreed to.

TRADE AND COMMERCE

British and foreign news service, $15,000.

Mr. HANBURY: Will the minister please explain?

Hon. H. H. STEVENS (Minister of Trade and Commerce): This is the usual vote to Reuter's news agency for sending, as they do, a regular dispatch service of commercial and public news to British papers. The appropriation has been less in the last two years than it has been over the preceding ten or twelve.

Mr. McINTOSH: What British papers are involved in this?

Mr. STEVENS: About seventy, I should say.

Mr. HANBURY: Is that just news from Canada or is it to Canada as well?

Mr. STEVENS: From Canada.

Item agreed to.

An act to place Canadian coal used in the manufacture of steel or iron on a basis of equality with imported coal, administration of, $600.

Mr. RALSTON: Will the minister tell us the number of tons of coal on which payment was made, or, to put it the other way, the amount that was paid on coal under this item?

Mr. STEVENS: The year is not of course complete, but prior to December 31 the figure was 65,680 tons and $77,000 was paid out.

Mr. RALSTON: For the previous year?

Mr. STEVENS: It was 118,783 tons and $58,797.

Mr. RALSTON: Was the rate higher for this year?

Mr. STEVENS: No; it will be observed that the companies cannot get their returns in promptly at the end of the year, and part of the last year is always carried on to the next, so that there is never an exact balance. The rate is the same, forty-nine and a half cents a ton.

Mr. REID: Do any of the plants in the west receive the benefit of that?

Mr. STEVENS: There are no plants in the west using coal.

Item agreed to.

Mr. STEVENS: The next item I was going to call is the Canada Grain Act, unless hon. members opposite would prefer it to be held over.

Mr. VALLANCE: In view of the question asked by the hon. member for Weyburn yesterday and the reply given by the Prime Minister, and in view of the fact that the whole wheat agreement might be discussed on this item, might I suggest to the minister that it be allowed to stand?

Mr. STEVENS: Yes.

Electricity and Fluid Exportation Act, administration of, $750.

Mr. HEENAN: Has there been any change in policy recently with respect to granting licences for exportation?

Mr. STEVENS: No change in policy.

Mr. HEENAN: I understand the policy is that new licences are not granted except on request of the province in which the electricity is being developed.

Mr. STEVENS: That is not a new policy; we have been following that for several years.

Mr. HEENAN: But that is the policy?

Mr. STEVENS: Yes; we are still observing it.

Mr. HEENAN: Under that policy have any new licences been granted in the last two years?

Mr. STEVENS: I am informed that no new licences have been granted.

Item agreed to.

Exhibitions and fairs, $129,244.

Mr. McINTOSH: Will the minister kindly explain this item?

Mr. STEVENS: This item is for a series of small exhibitions and fairs and exhibits in private shops and so forth scattered all over Great Britain and taking place throughout the

year. For instance there is Canada week, carried on in a large number of centres from time to time. We usually try to put on one week a year, in which case the windows of shops are decorated with Canadian goods and Canadian illustrations and advertisements. Then of course there are certain exhibitions in the British Isles generally at which, as a rule, we have regular exhibits.

Mr. McINTOSH: Are the exhibitions and fairs to which this item relates only in the British Isles, or do they extend into the European area?

Mr. STEVENS: Last year, of course, we had the exhibition at Chicago. Occasionally there are exhibitions in other countries that we patronize, but at present there are none in contemplation. It is possible that during the year some exhibition on the continent might look very attractive to us and a small part of the vote be used for it. Usually when there is a large exhibition on the continent or in a foreign country, like that in the Argentine a few years ago for instance, a special vote is provided.

Mr. McINTOSH: May I ask if part of this vote is used for newspaper publicity?

Mr. STEVENS: No.

Mr. VALLANCE: How many fairs of this type were there in the past year?

Mr. STEVENS: I have not a list of the fairs. It is handled from London. There was one at Birmingham and one in London.

Mr. VALLANCE: It is all right; never mind.

Mr. McKENZIE (Assiniboia): This vote involves a considerable sum of money, I was wondering what value it has from an employment standpoint. How many people are employed one way and another under this vote?

Mr. STEVENS: It is a very important vote; I am sorry it is not much larger. I think it would be useful if it were larger. The number of persons employed is about twenty-eight.

Mr. McINTOSH: There seems to be a little difference of opinion on this side as to the reply made by the minister to the question I asked him regarding the expenditure of this amount. Was any part of this expenditure used for the Chicago exhibition?

Mr. STEVENS: Yes, $15,000 out of the parallel vote last year was spent in connection with the Chicago fair.

[Mr. Stevens.]

Mr. ILSLEY: The minister said about twenty-eight were employed. Are they employed all the time in just this sort of work?

Mr. STEVENS: Yes, they are employed at this sort of work all the time. There are some very able men among them who are artistic in the making up of exhibits, and when the exhibition is not actually on, their task is to keep the exhibits in good shape. Many of the artistic displays that they make or gather together and arrange are sent out for exhibition, or sometimes loaned—used in ways of that kind.

Mr. ILSLEY: These employees of the department are part of the civil service of Canada, some in England and some here; is that correct?

Mr. STEVENS: Correct.

Mr. RALSTON: I remember seeing one of these exhibits in London. Is there cooperation between the department and various producers and manufacturers? Does Canada include in this exhibit the products of private individuals and industries?

Mr. STEVENS: Oh, yes. For instance in the Olympic show we took considerable space and then manufacturers would rent a portion of that space; but the arrangement of the exhibits, the gathering of them together and so forth, would be under the experts of the department. There is very close cooperation between Canadian exhibitors and the exhibition staff; as far as I have known very happy relations exist between them.

Mr. RALSTON: The exhibit is not made up simply of the flora and fauna and natural products of Canada, but includes manufactured products?

Mr. STEVENS: Yes, manufactured and natural products, very much so.

Mr. HANBURY: The minister said they rented certain space to manufacturers. Does that mean that there is a certain revenue under this item?

Mr. STEVENS: No, we arrange for the space, probably for a maximum area, and then divide it among exhibitors. They pay the exhibition authorities for it.

Item agreed to.

Motion picture bureau, $50,000.

Mr. RALSTON: What are the activities of the motion picture bureau that the hon. minister contemplates this year?

Mr. STEVENS: They carry on a very useful work, making films of industrial activi-

ties in Canada, as of the fish industry, lumbering and mining, or matters generally having to do with the natural resources of the country. Films are made also that are useful from the standpoint of attracting tourists. Of the industrial films, the automobile film that went out and commanded a great deal of attention is an example. These films, I might say, produce a certain amount of revenue. They are distributed chiefly in Europe but also in other parts of the world—some in Australia, South Africa and New Zealand. We think they do very excellent service in a general presentation of Canadian activities and resources.

Mr. RALSTON: I quite agree with that, I was asking if the minister had in mind any program for this year—whether any special industry was to be dealt with by these motion pictures?

Mr. STEVENS: There is nothing special in mind at the present time.

Mr. VALLANCE: Are these pictures or films released to the general picture industry throughout the country and also in foreign countries?

Mr. STEVENS: Yes, to theatrical organizations as well as to private persons, groups, societies, educational institutions, and so on.

Mr. VALLANCE: Is there any revenue from it?

Mr. STEVENS: Yes, the revenue runs about $26,000 or $27,000. Over a period of years, giving the round figures, the revenue has been $18,000, $26,000, $23,000, $29,000, $26,000 and $9,000. I have not the revenue for the present year.

Mr. VALLANCE: I suppose, coming from the Department of Trade and Commerce, these are pretty much educational, along the line of showing the products of Canada, and are not used for immigration purposes. Is that correct?

Mr. STEVENS: The products of Canada and manufactured articles.

Mr. VALLANCE: But not for immigration purposes?

Mr. STEVENS: No, not now. I imagine they were so used years ago, but not now.

Mr. McINTOSH: Is the distribution trans-Canada in scope or is it confined to the larger centres of population?

Mr. STEVENS: A great deal is outside of Canada, of course, and it would be cross-Canada in scope with certain films. I could not say exactly what the distribution is in Canada, but it is pretty extensive.

Mr. McINTOSH: And as between the natural resources and manufacturing, are the films fairly equally divided?

Mr. STEVENS: I should say so. I should think perhaps the natural resources would predominate, but they are fairly equally divided.

Mr. HANBURY: The minister has told us about the revenue from this distribution. I would ask the minister whether the fact that a charge is made for these films perhaps limits the use to which they are put, and I would advance the suggestion that perhaps if there were no charge the distribution would be greater.

Mr. STEVENS: Our experience is the reverse. The department, over a great many years, has found that they are appreciated more if there is a small charge. The charge is not looked upon as a profit-making matter, but it is a fair remuneration. We expect a certain amount of expense, but the return helps pay the cost.

Mr. GERSHAW: Do the trade commissioners in different countries make use of these films?

Mr. STEVENS: Yes, they do, and frequently we have expressions of appreciation of the service.

Mr. HANBURY: Are all these films of a general character or do they sometimes have to do with one particular firm?

Mr. STEVENS: The object, of course, is to make it very general. I recall seing one film having to do with a large logging firm on the coast, and I could not discover what firm it was; it was typical of the industry.

Item agreed to.

The Precious Metals Marking Act, administration of, $4,912.

Mr. ILSLEY: Would the minister explain this item?

Mr. STEVENS: This is merely the salary of the officer who administers this act. I am sorry to say that the officer, who had been in the service of the country for a great many years, died. A new man was appointed a short time ago; he starts at the minimum salary of that class, and that accounts for the decrease.

Mr. ILSLEY: What are his duties?

Mr. STEVENS: The other day an amendment to this act went through, and at that time I think I described the act fully. This is a very important act, dealing with the manufacture and sale of goods made of precious metals such as gold, silver or platinum, including plated and filled goods, and so on. The act provides rigid and definite standards which, of course, are of the highest importance when dealing with precious metals. The duty of this officer is to administer that act. He watches with the most scrupulous care advertisements and so on, so as to minimize any attempted misrepresentation of goods, and I think his efforts have been successful. For instance, goods may be offered as sterling silver which are not sterling silver at all, or goods may be offered as plated silver when they are merely washed.

Mr. RALSTON: Or eighteen carat instead of fourteen carat.

Mr. STEVENS: Yes, and the various carat weights of gold. All this is carefully and meticulously watched by this officer to minimize the possibility of fraud.

Item agreed to.

Printing of parliamentary and departmental publications, $102,675.

Mr. STEVENS: This is the ordinary printing vote of the department. About $80,000 is for the bureau of statistics, for the printing of the ordinary documents of that branch, while the balance is for the publication of the regular periodicals of the department, such as the grain report, and so on.

Mr. RALSTON: Does this include the annual reports of the departments?

Mr. STEVENS: It includes all such documents.

Mr. RALSTON: Has the minister ever considered whether there could not be some substantial scaling down in the printing of these reports? It strikes me in this way: we come here this session and we get a report for the year ending March 31, 1933, nearly a year late. It does not make any difference what government is in power; that always happens, and it seems to me there might be a great scaling down of those reports, because they cease to be useful for distribution, though of course they are useful as a matter of record. I notice one thing that is being done, and I do not know whether or not it has always been done; cards are sent around and members are asked whether or not they want certain reports. Does that mean that the reports are not printed unless requisitions come in, or is the report printed and supplied to those who ask for it?

Mr. STEVENS: We try our best, by the card system and in other ways, to keep the number printed down to what may be required, and during the last year or two we have very carefully gone over these publications and kept them down to a minimum. I think we have eliminated all that we dare eliminate. I remember talking it over only a few weeks ago with the head of the bureau of statistics. We went over the matter carefully, and I do not think we could safely discard any documents that we are now printing.

With regard to the annual report to which my hon. friend referred, it does come late for the use of the house, but it is very highly valued in all parts of the world to which it is sent, as an official and representative document of the government. As a matter of record, and in an historical sense, of course it has the usual value which is attached to such documents. I do not think there are any other documents we could discard. Certainly I should be very glad to have the views of any hon. gentleman who might feel that some documents are unnecessary, so that we could examine them and come to a conclusion. Occasionally someone will say that a certain document seems to be useless, but upon inquiry it is found that there are many people who make constant use of it. The other day a gentleman in eastern Canada wrote me expressing indignation at what he considered to be a waste of money; a certain document he had got hold of seemed to him to be of no value. I looked it over and could not recognize any particular merit in it, but when I inquired I found that in a certain branch of industry several hundred people made constant use of it. It is difficult, therefore, to gauge the value of a document until one goes carefully into the matter with those who are handling it. I believe we have minimized useless and unnecessary printing, so far as we can possibly do so.

Mr. HANBURY: Would the minister enumerate the publications to which he has just referred, and give us some general idea of the distribution?

Mr. STEVENS: I could give some of the important ones. There is the report of the Department of Trade and Commerce; the catalogue of the motion picture bureau; the Commercial Intelligence Journal, which is a regular issue, and reprints of the Commercial

Intelligence Journal. Then we publish calendar-year books for minerals, manufactures (non-metallic) and iron and steel (non-ferrous), and the calendar-year trade report. Then there is a publication on prices; "Canada, 1934," and so on. There is a publication on the chemical industries, a monthly bulletin on agriculture, a quarterly bulletin on coal, the quarterly trade of Canada, the monthly trade of Canada and the monthly business review. There is the electricity and gas annual report and the weights and measures annual report. Then there is the annual publication of vital statistics, and in addition to that there is a preliminary report, which is in fact a rapid survey report.

Mr. HANBURY: Of what?

Mr. STEVENS: Of vital statistics. The same thing applies to many other publications. Then there are publications for fruit and fur farms, fisheries, forestry; the lumbering, pulp and paper, and textile industries, and general manufactures. Then there are statistical reports on transportation, steam railways, electric railways and canals; reports on internal trade prices and price indices; financial statistics, provincial finances, and educational statistics. There is a review of business statistics, and a number of contingencies.

Mr. HANBURY: I understand there is a revenue from many of these publications?

Mr. STEVENS: Yes, but it does not amount to much. We make a small charge, such as ten cents, or twenty-five cents, and in one or two cases fifty cents. For the year book we charge one dollar. Necessarily, however, many of these documents are sent free of charge to educational institutions, universities, schools and so on.

Mr. McINTOSH: With regard to the belated publication of, say, the annual blue book reports, may I ask the minister if the publications could be issued earlier?

Mr. STEVENS: I confess frankly to my hon. friend that when I laid the annual report on the table the other day I felt a little ashamed. I believe that while I could not present it until the opening of parliament, it was ready last autumn. I must confess that when I did present it and saw that it was dated 1933 I thought at the time I was going through a more or less useless formality.

Mr. McINTOSH: As these reports are very important for reference purposes I think we must have them. If the members could have them as soon as they are published it would be a very great convenience, and the reports would be of greater value to them.

Mr. STEVENS: I think there should be no difficulty about that. In connection with the Canada Grain Act, the report of my department and one or two other reports, there is a statute stating that within fifteen days after the opening of parliament such reports must be laid on the table. That was the formality I went through the other day. I will say this, that if any hon. member desired a report we would certainly send it to him immediately upon its completion, which would be some time I imagine, in the late summer.

Mr. ILSLEY: The list of publications the minister gave in answer to the request of the hon. member for Vancouver-Burrard is most interesting. I fancy few hon. members knew there were as many publications as are shown in the list. Is the list published or made available in any other way?

Mr. STEVENS: I should be very happy to furnish any hon. member with a list.

Mr. HANBURY: May I suggest to the minister that every member of parliament would be interested in having that list, as would every newspaper in Canada. The preparation of this information obviously costs a great deal, and the purpose of its publication is to educate the people of Canada as to what we have and are capable of doing. I believe every member of parliament and all newspapers should have a list of the publications, with rough details showing the contents of each publication.

Mr. STEVENS: I shall have a complete list sent to hon. members, and a brief statement showing the nature of the publications.

Mr. MOTHERWELL: Mr. Chairman, I believe this is the vote which my right hon. leader criticized somewhat caustically last session.

Mr. STEVENS: No, it is the next one.

Mr. MOTHERWELL: Publicity and advertising.

Mr. STEVENS: This is not advertising.

Mr. MOTHERWELL: It is out of this vote that the handbook, "Canada 1933" is published?

Mr. STEVENS: Yes.

Mr. MOTHERWELL: I referred to it incidentally in my remarks on the address in reply, and I believe it is only fair that I should draw the minister's attention to it at this time. I refer to the porcine picture.

Mr. STEVENS: Once again.

Mr. MOTHERWELL: Well, I thought the minister would have embraced the opportunity right off the bat to explain it, but I think I can understand his not seeing the ludicrous mistake himself.

Mr. STEVENS: I can give a complete explanation of it, but I think it is wholly unnecessary.

Mr. MOTHERWELL: I referred to it only once, and this is the second time. I assure the hon. minister I should draw his attention to it, because I have been in public life long enough to know that extraordinary things happen in office life for which one might think there was no explanation, and this would seem to be one of them.

Mr. STEVENS: The explanation is very simple, and may I say to the hon. member that it is most annoying.

Mr. GRAY: What is?

Mr. STEVENS: I should prefer not to say much about it.

Mr. MOTHERWELL: You do not need to.

Mr. STEVENS: When this was compiled—

Mr. MOTHERWELL: I will not press it.

Mr. STEVENS: When this was compiled we sent to the Department of Agriculture and they in turn sent us photographs bearing the proper legends. The photographs were sent to the bureau, and an official of the bureau, upon his own responsibility, changed the legends into their present ludicrous form. I am not certain that it was not done maliciously. I think perhaps the gentleman has enjoyed very much the embarrassment to which I have been subjected by his ludicrous action, and if I were certain of it there would probably be some wigs on the green. It was a miserable, despicable thing to do, unworthy of any official of the department, and it was wholly unnecessary because the Department of Agriculture gave the perfectly correct technical description. I may say to the hon. gentleman that I never saw it at all. Had I seen it I would have been very prompt to discern the mistake, as I have had a long experience in matters of that kind, much more so than the hon. gentleman thinks, even to the point of extracting them.

Mr. MOTHERWELL: My hon. friend has described this incident quite as graphically as I could have myself. I am sure he never thought we would let this pass without somebody drawing attention to it.

Mr. STEVENS: I should think it is a celebrated case by now.

[Mr. Stevens.]

Mr. MOTHERWELL: This gentleman must have been a bad Grit, and he has no doubt been dismissed by this time.

Mr. STEVENS: No, I have not yet inquired what his politics are. I am afraid to.

Mr. MOTHERWELL: Do you think he is still in the employ of the government?

Mr. STEVENS: Do you think he ought not to be? I rather think so myself.

Mr. MOTHERWELL: I would not like to pass judgment without giving him an opportunity to be heard. Probably he had nothing to do with it.

Mr. STEVENS: I am going to give him an opportunity to be heard some of these days.

Mr. MOTHERWELL: When my hon. friend ventures into the field of agriculture it would be wise to submit anything like this to the Minister of Agriculture.

Mr. STEVENS: We got it from him.

Mr. MOTHERWELL: Did he proofread it?

Mr. STEVENS: A minister cannot possibly have time to proofread all the documents.

Mr. MOTHERWELL: I guarantee that no such rough necked hog was ever raised on the experimental farm here at Ottawa.

Mr. STEVENS: It was supplied by the experimental farm. May I say to my hon. friend that the proofreading must be left to the officials. My hon. friend himself as minister did not proofread his documents.

Mr. MOTHERWELL: This is a technical matter about which my hon. friend was not expected to know very much.

Mr. STEVENS: I happen to know a good deal about it, more than my hon. friend thinks.

Mr. MOTHERWELL: Somebody was lacking in knowledge, anyway. As regards the animal itself, it is a rough necked son of a gun that never saw the experimental farm. On the farm they have as fine a type of Yorkshire, not geldings, but hogs as are to be found in Canada. That does not explain it at all. This gentleman with the sleight of hand accomplishment must have changed the photograph too.

Mr. STEVENS: No, he did not change the photograph too.

Mr. MOTHERWELL: They must have gone into the back township for this chap because he looks more like a wild boar from the hills of Hungary than a Yorkshire brood sow.

Mr. NEILL: May I ask the minister if under this vote or the following one comes the expenditure for getting out the typewritten or mimeographed weekly or daily or monthly bulletin under the auspices of the Dominion Bureau of Statistics?

Mr. STEVENS: I am under the impression that it comes under this vote.

Mr. NEILL: I should like to ask if the minister has any idea of what it costs.

Mr. STEVENS: It is not very much. I think I answered a question on the subject in the house not long ago.

Mr. NEILL: I have here the answer which the minister gave, and it is because of that answer that I wish to ask for information. The answer given to the hon. member for Beauharnois (Mr. Raymond) was that there were 383 copies issued and that the average cost per issue was $6.30. If they can get out that stuff for $6.30 it is very remarkable because I have made a rough estimate of the contents and it runs to something like three million words for each issue. If they can get that out for $6.30 with paper, ink and other supplies, and clerical labour, it is indeed remarkable. What about the time of the man concocting all this? You could not send out that stuff—you could not typewrite or mimeograph three million words for $6.30. Surely there is some mistake.

Mr. STEVENS: No, there is no mistake. The answer is correct. It is all mimeographed, of course, but the material from which it is compiled is the material which finds its way into the regular reports of many branches of the bureau of statistics, and the bulletin is a rapid survey and digest of this material which is passing through the bureau, brought into the form of the bulletin for the convenience of the press and those who receive it. The cost is correct, but that does not include the salary of the official who compiles or extracts the information from the general material. This is not all the work he has to do; he has other work.

Mr. NEILL: I congratulate the minister if he can get out three million words, buy the envelopes and put the bulletin into them and send them through the mail for $6.30 an issue.

Mr. STEVENS: We handle that sort of thing very expeditiously down there. It is thoroughly systematized.

Mr. NEILL: Of course the expense of getting the material together must be very much greater. The minister was kind enough to say he would welcome any comments by which the expenditure on advertising could be cut down. These bulletins when they first came out were not unreasonable. They were much fewer in number than now, and while some of the information given was small, going into petty stuff, the bulletin possibly served a useful purpose. I remember reading, for instance, that the export of whisky from Canada to Syria in one year amounted to nine dollars' worth, and it also gave the exports of women's hairnets to Palestine, or something like that. That may be useful to some people, but it is not very likely. The purpose of these bulletins, if they have any purpose at all, is to furnish appropriate and useful and accurate information that may be of assistance to importers and exporters. I do not think I am out of place when I say that those three qualifications are essential —that the information should be appropriate, useful and accurate. Let me give an illustration, one of two picked here and there, glancing over some of the bulletins, of what I think might be eliminated, to put it plainly. I read two sentences:

> The quantity of goods and services exchanged times the prices of these goods and services constitutes one side of the familiar equation of exchange. In its original form the equation was as follows: MV=PT, where M denotes money and deposits and V the velocity or turnover of money and deposits, P represents prices and T the physical volume of business.

I do not know if the average business man gets much information out of that. Here is another example: It says that Three Rivers in Quebec and Sydney in Cape Breton at the 1931 census had a population under twenty years of age of 46 per cent, but not satisfied with that, it works it out fractionally, giving the percentage for Three Rivers at 46·75 and for Sydney at 46·33 of people under twenty years of age. We are paying somebody to work out to the second decimal point fractions of that character. What use is it after they have arrived at the precise figure, unless to incite a competition among other towns to try to have more young people? Here is another example:

> Millions of sausage wrappings sent to Germany from Canada.
>
> Many millions of sausage skins, not the artificial variety but the old-fashioned sort, went to Germany last month to make frankfurters. Occasionally the smart young Nazi calls them "hot dogs" when he treats his Schatz.

I do not know whether that is a proper word; the responsibility is the minister's. It goes on:

> Give them a size of three inches and they would stretch out to a distance of about 475 miles, pretty nearly one-fifth of the distance between Halifax and Vancouver as the crow flies.

That might be very interesting if it appeared in a school book or something of that kind, but why should we be paying for the dissemination of knowledge of that kind? There is page after page of closely typed matter which looks to me to be very much like propaganda. The exports to different countries are gone into in very great detail. Among some of the countries given is Albania, to which we exported $91 worth of goods in nine months. That is $10 per month. To Lithuania we exported $1,000 in nine months; to Yugoslavia, $393. Some of the imports by countries are given for the nine months' period. In the case of Korea it is $36, or $4 per month. It is stated that in the corresponding nine months in the previous year there were none. In the case of Paraguay it is $15 with nothing in the previous nine months. All this is very interesting, but it lends itself to what I suggest, meanly perhaps, is propaganda. They will be able to say: Look at the enormous increases. What percentage of increase is it when it goes from nothing to $36 in nine months? All this does not seem to me to be very useful.

Unless the information is accurate it is going to do harm, and I should like to point to some instances of inaccuracy. It gives the number of births, deaths and marriages in seventy cities and towns in Canada with populations of 10,000 or over. But it gives the precise number, and then goes on to say that they show a decrease of 7½ per cent in births. 4 per cent in deaths and an increase of one per cent in marriages. These figures do not give any real data. Certain towns may have increased in population; there may have been more births and marriages because of an influx. The figures are absolutely useless as a comparison. They do not compare with any other town or any other country. If there had been a comparison of the percentages it might have meant something, but it does not.

We come now to what may be a more popular item, the difference between nightshirts and pyjamas. We are told in electrifying words that the old-fashioned nightshirt is by no means out of date and that a huge quantity of that commodity is made every year in Canada. They then continue and say that the use of nightdresses is increasing more than pyjamas if factory output is a true indication. Nightdresses are not nightshirts.

An hon. MEMBER: Oh, oh.

Mr. NEILL: Certainly, they are not. The hon. member can look it up in the dictionary if he has not any domestic knowledge. Nightdresses increased 57 per cent while pyjamas increased by only 14 per cent. They got jumbled up between nightshirts and nightdresses.

We come now to something that is of more interest to British Columbia. The information given in this instance is very misleading. The figures given of the export of salmon to the United Kingdom for the quarter consisting of April, May and June, 1933, are 17,665 hundredweight, while the Commercial Intelligence Journal give a figure for the same period of 8,360 hundredweight, or less than half. For the quarter including July, August and September, the bureau gives the export as 55,420 hundredweight while the Commercial Intelligence Journal gives it as 27,180, again less than half. For the month of September the bureau gives it as 18,441 hundredweight, while this typed bulletin gives it as 11,822. For the nine months ending September the bureau gives it as 85,763 hundredweight while this typed bulletin gives it as 53,688. The Commercial Intelligence Journal has the same figure as I checked up as carefully as I could. One can imagine how an exporter or importer would be deceived by figures like that, and it makes one wonder just how accurate the rest of the bulletin is. There is a Methodist hymn which says:

> If such the sweetness of the stream,
> What must the fountain be?

If this is the accuracy of the stream, what can we gauge that of the fountain to be? How accurate is the whole thing? How useful is it? I cannot see the usefulness of information that the number of sausages produced placed end to end would reach so far. If it is not useful and if it is not accurate, what is left? I do not suggest that the minister is to blame, but I think he should look into the matter. This is the sort of thing that people depend upon. We do not care whether the exports of pyjamas and nightshirts have increased but we do want accurate information as to the exports of salmon. The figures in one periodical issued by the government should not be half of

those appearing in another. I suggest to the minister that he check these things up. Also perhaps the reduction of the size of this bulletin would prove of value, as people might then take an interest in it. If the minister would like them, I will send over the details.

Mr. STEVENS: I will read them in Hansard.

Item agreed to.

Publicity and advertising in Canada and abroad, $100,000.

Mr. RALSTON: Will the minister give us particulars of this item?

Mr. STEVENS: This is the general vote for advertising. It covers a weekly news service in Latin American countries; a service through the marine department and the Canadian Press for Pacific liners as well as a similar service for Atlantic boats; advertising in newspapers and periodicals, and so forth. There is no special advertising campaign in view at the present time; this is just the normal advertising vote.

Mr. McINTOSH: What proportion of this vote is spent in Canada?

Mr. STEVENS: Last year out of $173,000 there was $75,000 spent in Canada, and about $100,000 in London.

Mr. McINTOSH: Was the $75,000 spent largely in newspaper advertising?

Mr. STEVENS: In Canada, yes. In Great Britain it takes the form of newspaper advertising, special display advertising such as the apple display which is widely known, and other forms of advertising.

Mr. McINTOSH: Could the minister state what proportion of this amount was spent in western Canada?

Mr. STEVENS: It would be hard to state accurately, but I understand it was a substantial portion. I could not make even a fairly accurate estimate.

Mr. McINTOSH: Could the minister indicate the proportion paid to daily newspapers and that paid to the weekly press?

Mr. STEVENS: It is divided up between daily newspapers, trade publications, agricultural periodicals and foreign advertising. Roughly, that is the division of the vote.

Mr. McINTOSH: That means that the money spent in Canada so far as straight newspaper display advertising is concerned was paid entirely to the daily newspapers of the dominion. Is that correct?

Mr. STEVENS: No. I have not the amount spent in connection with weekly newspapers; it is included in the general item of miscellaneous and I could not say just what that is, but I would say that the division would be that perhaps a larger amount is spent in advertising in daily newspapers than in the weeklies.

Mr. REID: Is it under this appropriation that advertising that appears in the press for contracts comes?

Mr. STEVENS: No.

Mr. HANBURY: I should like to repeat to the minister under this item a suggestion which I made to the house some time ago, that he take into consideration the exchange of students between other countries and Canada. I have particularly in mind Japan, China and South American countries. As the minister knows, we have in British Columbia, where climatic conditions are suitable to people of those other countries, a very fine university which, he knows, is quite capable of extension, and the industries we have there are such that we could educate these people from other countries in the use of our products. I suggest to the minister that he give this matter serious consideration. Under present world conditions it is of the utmost importance that every effort be made to interest other nationals in the products of our country, and although this may be a long-term method, I know of no other that would accomplish more over a period of years than the encouraging of people of other nations to come here to learn our customs, language and methods of doing business.

With that suggestion I am again going to couple one that an exhibition ship be fitted out and maintained to visit the countries to which I have referred, and perhaps others, to demonstrate to their peoples what we have for sale to them, and at the same time let them demonstrate to us what we can purchase from them in exchange. I am making this suggestion to the minister and I ask him to give it very careful consideration. He will realize that something must be done if the world is to continue along its present economic course, and nothing more effective could be done over a period of years.

Mr. STEVENS: May I briefly state that efforts along the line my hon. friend has mentioned have already been made. In the case of one eastern university students have been brought from South America, an exchange of students having been arranged. In the case of certain industrial firms some student apprentices, I suppose we might call them, were brought here for the purpose of studying Canadian methods of business and carrying Canadian good will back to their countries. I shall be pleased to look into the suggestion further, because it has great merit. One of the difficulties has been to get universities interested. This must be done, of course, through the agency of institutions of learning of that kind.

In regard to the exhibition ship, I should be happy were our finances in such a condition as to warrant a substantial expenditure for advertising abroad in the form either of a ship or exhibits or publicity of some sort, but, frankly, the government has been faced with the very serious obligation of keeping its expenses down to a minimum and I have been forced to reduce my estimates more than I should have liked. I have a good deal of sympathy for the suggestion made and shall keep it in mind. If conditions improve, I shall ask for something more in the supplementaries if my colleagues will be good enough to support that view.

Mr. HANBURY: I am glad to have the assurance of the minister in that regard, and he may be sure that he will receive every measure of support from the Liberal party, which believes in the extension of our markets. We are not necessarily, as the minister knows, only a Canada first party, and while we also have our creed, perhaps it would not be the "my creed" which the minister published some time ago. We believe in the extension of markets, and I say to the minister that if he will insert in the supplementaries a substantial, indeed, a quite substantial amount, there will not be a word of criticism from this side of the house.

Mr. STEVENS: That is very encouraging.

Mr. McINTOSH: I am not entirely satisfied with the far from informative answer given by the minister in regard to the daily papers in which this advertising was placed. There are only a few daily newspapers in each province. Could the minister not give us the names of the daily papers in which this display advertising is placed? I think the house is entitled to that information.

[Mr. Hanbury.]

Mr. STEVENS: The total amount for the daily papers is $4,752. There are about thirty of them, so that it does not really amount to very much. The papers are as follows:

Halifax Herald and Mail	$ 180 60
Saint John Telegraph and Times	153 36
Charlottetown Guardian	65 10
Quebec Chronicle-Telegraph	77 40
Quebec L'Evenement	90 00
Montreal Gazette	168 48
Montreal Herald	78 12
Montreal Star	273 42
Montreal La Patrie	112 50
Ottawa Citizen	116 64
Ottawa Journal	117 18
Hamilton Spectator	156 24
London Free Press	156 24
Toronto Globe	338 52
Toronto Mail and Empire	338 52
Toronto Telegram	338 84
Toronto Monetary Times	196 00
Windsor Border Cities Star	142 56
Winnipeg Free Press	207 36
Winnipeg Tribune	143 00
Winnipeg Der Nordwester, Winnipeg Canadian Farmer, Winnipeg Canadian Voice	309 75
Regina Star	75 96
Calgary Herald	129 00
Calgary Albertan	91 14
Edmonton Journal	128 40
Edmonton Bulletin	89 40
Vancouver Province	208 32
Victoria Colonist	84 63
New Westminster British Columbian	100 00
Penticton Herald	86 24
Total	$ 4,752 92

Mr. GRAY: I want to enter a mild protest in respect to what has been done in western Ontario, where I find that the only newspaper listed is the London Free Press.

Mr. STEVENS: Windsor Border Cities Star

Mr. GRAY: The editor of the London Free Press is a past president of the Conservative Association of Western Ontario. The minister is leaving out a very fine paper in the same city as the Free Press—the London Advertiser.

Mr. McINTOSH: I thank the minister for the information with regard to the daily newspapers in Canada. What amount was spent in the leading weeklies of the dominion and in what papers was the advertising placed?

Mr. STEVENS: I have not a list of the weeklies with me.

Mr. McINTOSH: Was any amount of this appropriation spent in the national or larger weeklies of the country?

Mr. STEVENS: I have a miscellaneous item and I cannot tell my hon. friend the amount.

Mr. McINTOSH: Will the minister bring down that information some other day?

Mr. STEVENS: I shall be very glad to do so.

Mr. McINTOSH: I want to protest strongly against the amount which is spent in the daily newspapers of Saskatchewan. I understand the only amount stated was paid to the Regina Star. This is an out-and-out Conservative paper. In Regina there is a leading old-time Liberal daily, the Regina Leader, a splendid newspaper. There was no money paid to the Saskatoon Star-Phoenix, another leading daily paper of northern Saskatchewan. I think if this appropriation had been spent fairly and judiciously, with the desire to get the best results, a certain amount should have been paid to each one of these papers—I would not say to the Liberal papers as opposed to the Conservative or the Conservative as opposed to the Liberal; but to get the best results for the Canadian people at large it certainly should not all have been paid to one paper, and that —a supporter of the government

Mr. RALSTON: Has any amount been spent under this item, or is any contemplated, for advertising, publicity or propaganda in respect of the wheat agreement?

Mr. STEVENS: I do not want to say that nothing will be spent, but as far as I know there is no suggestion of it at the present moment. There might possibly be some expenditure; frankly that has not been in my mind, but my hon. friend's bringing it up suggests to me that it may possibly come out of this.

Mr. RALSTON: I may say it is suggested to me; I do not know myself.

Mr. STEVENS: It is not at the moment in contemplation under this vote.

Mr. RALSTON: And I suppose the answer stands as my hon. friend has made it with regard to the expenditure for this year. Has any amount been spent?

Mr. STEVENS: No.

Mr. RALSTON: Or will any be spent under the vote for the year ending March 31, 1934?

Mr. STEVENS: No.

Mr. ILSLEY: Is this advertising distributed on a patronage basis?

Mr. STEVENS: Well, not exclusively.

Mr. ILSLEY: The reason I ask is, following up what my hon. friend from Shelburne-Yarmouth has said, that in the city of Halifax the only paper included is the Herald. The Chronicle is left out.

Mr. McINTOSH: If not exclusively it looks as if it were inclusively.

Mr. MUNN: I might enter the same complaint as regards Victoria and Vancouver. In Victoria we have two leading dailies, and the Conservative one is getting the patronage. In Vancouver we have two leading dailies, and the Conservative paper is getting it there. It looks as if there was a little patronage.

Mr. STEVENS: I think we lean a little that way.

Mr. MUNN: You acknowledge it, then?

An hon. MEMBER: It will not be long now!

Item agreed to.

Weights and measures inspection service including the international bureau of weights and measures, $300,000.

Mr. STEVENS: This is the usual item for this branch, which is a self-supporting branch.

Item agreed to.

Dominion Bureau of Statistics, $351,000.

Mr. RALSTON: I have nothing in particular to say on this item, but it is a large and important one, and the committee is pretty sparse. Would the minister mind letting it stand?

Mr. STEVENS: I have no objection to meeting my hon. friend's view in that regard.

Item stands.

Commercial intelligence service, including miscellaneous expenditure in connection with Canada's trade, $639,687.

Mr. HANSON (Skeena): Is that the item from which the trade commissioners are paid?

Mr. STEVENS: Yes.

Mr. HANSON (Skeena): Will the minister tell us how many trade commissioners Canada has at the present time and what they are paid?

Mr. STEVENS: I think the number of commissioners is thirty-eight.

Mr. HANSON (Skeena): What is the average pay?

Mr. STEVENS: They vary. One is $3,780 with a living allowance of $2,500. One gets

$5,760, one of the oldest commissioners we have, and a living allowance of $1,500. Another gets $4,380 and a living allowance of $2,500. Another gets $5,040 with living allowance of $1,500; another $4,980 with a living allowance of $2,500. The living allowance varies according to where they are.

Mr. RALSTON: Where is the last one?

Mr. STEVENS: The last is in Australia. The salary varies according to the time they have been in the service and their standing in the service. Here is another at $3,180 with a living allowance of $3,000—that is the minimum salary for that class; another at $4,980 with a living allowance of $2,500, and another at $4,980.

Mr. VALLANCE: How much of this item is set aside to promote the sale of wheat abroad, if any.

Mr. STEVENS: There is no special amount set aside for the sale of any given article, but all the commissioners are kept constantly informed, and shall I say, stimulated to watch the opportunities for marketing not only wheat and flour but other products. But we have particularly emphasized wheat and flour as a major item for their care and interest.

Mr. HANSON: What number of countries are represented by the trade commissioners?

Mr. STEVENS: Great Britain, Argentine, Australia, Belgium, Brazil, British West Indies, China, Cuba, Egypt, France, Germany, Greece, Hongkong, India and Ceylon, Irish Free State and Northern Ireland, Italy, Japan, Mexico, Netherlands, Netherlands East Indies, New Zealand, Norway, Panama, Peru, South Africa; and in the United Kingdom, London, Bristol, Glasgow, Liverpool, Belfast and Dublin; and in the United States we have an office in New York.

Mr. RALSTON: Have there been any reductions in or additions to the number of trade commissioners in the last year?

Mr. STEVENS: There were two retirements, but the assistant commissioners were advanced to take their place. There has been no reduction in number.

Mr. RALSTON: No offices have been closed?

Mr. STEVENS: Not this year.

Mr. RALSTON: Is there any closing in contemplation?

Mr. STEVENS: No.

Mr. RALSTON: Or the opening of any new ones?

[Mr. Stevens.]

Mr. STEVENS: We are opening an office in Singapore. We have a trade commissioner at Batavia, Dutch East Indies, but we believe he will do better service if his office is in Singapore. He visits Singapore now. So we contemplate opening that office, but it will not increase the staff because the assistant will look after Batavia and the commissioner himself will be at Singapore. It merely means a division of that territory.

Mr. RALSTON: The Commercial Intelligence Journal was included in the vote we just passed, was it ?

Mr. STEVENS: No, the printing vote. I named it at the time.

Mr. RALSTON: I suppose the salary for the officer who prepares it is in this vote?

Mr. STEVENS: His salary comes under civil government.

Mr. RALSTON: Will the minister permit me to speak of one other matter, in connection with the Commercial Intelligence Journal? I have gone over it carefully, and it seemed to me that the journal might be made even a little more useful than it is if it could indicate something more with regard to our own tariff changes or the changes made as the result of valuations for duty purposes. There is a great deal of information given with regard to changes in other countries, but it seemed to me it would be a more complete compendium for the purpose of reference, and so on, if information could be given with regard to our own tariff adjustments.

Mr. STEVENS: The Commercial Intelligence Journal is chiefly used by exporters; its primary object is to keep Canadian exporters posted as to conditions abroad, and it is organized and systematized pretty thoroughly first with the idea of not making it so voluminous that it cannot be readily absorbed and secondly in order to present the information in a uniform manner. There are certain matters that interest exporters all the time, and we try to keep them posted on those matters. Then there are certain other matters that obtrude themselves unexpectedly, and we try to keep them advised in those matters. We could add the information that my hon. friend mentions, but that would be of very little use to the exporters and would merely add to the expense. While perhaps it would be useful to members of the house or to students of trade matters generally, it is not looked upon as necessary in regard to the function which the journal seeks to discharge.

Mr. RALSTON: I would regard it as of assistance in helping us come to conclusions and helping us size up our external trade both ways.

Mr. STEVENS: I will give the matter consideration.

Mr. RALSTON: May I just emphasize that this is one of the publications that is right up to date. It is not like the annual reports of which we have been speaking, which are like last year's birds' nests. They are not very much good by the time they are published, though I say it with all due respect to the departments.

Mr. BENNETT: They are all the same.

Mr. RALSTON: I realize that, but this is a publication which is up to date, and it seems to me that if we could get the essential information gathered together under one pair of covers it would be very helpful. The Department of National Revenue issues a monthly report which is exceedingly helpful because it is right up to date, and the Department of Trade and Commerce issues a monthly summary of trade which is excellent. It seems to me that if we could get some publication—I do not care what it is—which would contain all the tariff changes up to date, so that we would not learn three months later that a change had been made, it would be very helpful.

Mr. STEVENS: I will take note of my hon. friend's suggestion.

Mr. HANSON (Skeena): When the minister mentioned the countries where our trade commissioners are stationed at the present time it struck me that the Scandinavian countries, with which we deal to a large extent, are not so well served. I took a trip over there last year, and I was told that the business between Canada and Denmark and Sweden would increase greatly if we had a trade commissioner there.

Mr STEVENS: We have one at Oslo, in Norway, who covers Norway, Denmark and Sweden. He visits Denmark regularly.

Mr. HANSON (Skeena): I have met the trade commissioner, and he tells me it is impossible for him to cover the territory adequately and do justice to the three countries. I think it would be to our advantage if we could open up a new post for Sweden and Denmark.

Mr. STEVENS: We would like very much to extend our service, but we must have regard to the cost. I feel that we are covering the territory pretty well.

Mr. RALSTON: What are the other large items, in addition to the salaries of trade commissioners?

Mr. STEVENS: There is an item for office rents, which of course are substantial, amounting to $54,000 in round figures. Then there are allowances for house rent, totalling $25,000. Communications take up $13,000, which I think is a very modest figure when one has regard to the constant cable service we must maintain, and the great distances that are covered. Then there is the cost of travel and removal, which is estimated at $30,000. Most of that is for travel, for the commissioners covering their territories. Many of these territories are very extensive; in the case mentioned a moment ago, the commissioner at Oslo frequently goes to Denmark and Sweden. The commissioner at Hamburg travels all over Germany, Czechoslovakia, Poland and Austria-Hungary, so he covers quite a territory.

Mr. VALLANCE: A few moments ago I asked the minister how much of this item was spent to promote the sale of wheat abroad I am not objecting to the item at all, but I should like the minister to explain, if he can, why in 1933, countries such as the Argentine, Russia and Australia increased their sales in the British market while, to almost the same extent, Canada's sales decreased. Their collective increase amounted to some $17,000,000, while Canada's decrease was just about the same. Can the minister give any explanation for that condition?

Mr. STEVENS: One of the main reasons why the Argentine increased its sales of wheat and other products, of course, is the depreciation of the Argentine currency in terms of gold. In regard to Russia, their exports are on the basis of simply getting rid of them, no matter what they get for them, so there really is no yardstick by which the value of those exports can be measured. In the case of Australia we have had an Australian pound that has been at a very heavy discount in comparison with the pound sterling and in comparison with Canadian currency in relation to the pound sterling, which of course gave them some advantage in the world market. Then of course you must remember that Argentine and Australian wheat is offered at a lower figure than Canadian wheat is offered at, and in itself is not as good as our wheat. Those are reasons which might be advanced offhand.

Mr. VALLANCE: I do not wish to enter into a discussion of the wheat agreement, but how are we going to meet this competition

even when the wheat agreement is brought into operation? Are they going to pay us a higher price because of the quota we are to be permitted to place on those markets?

Mr. STEVENS: The answer is that they are paying a substantially higher price now because of the quality of our wheat. In regard to the wheat agreement, which we hope will work, it is not a simple matter, as anyone knows who has given it any thought. It is perhaps one of the most difficult things to be attempted in the way of international agreements with regard to trade, and there are many difficulties to be overcome. But the quota is fixed; it is conceived to be within the consumptive power of the importing countries, and we believe it is. Within the ambit of that consumptive power we get our quota of 200 million bushels, and I expect that we will get pretty well up to that figure. I am hoping there will be an adjustment in world conditions next year which probably will increase that. When we consider the export of wheat we must bear in mind that in the last eight years conditions in Europe have changed greatly. I believe one might say they have changed permanently; it looks that way. The fear of dependence upon external sources for supplies of food has had a tremendous influence on the people of Europe. I believe it is the condition we must admit is there, and probably will be maintained. On the other hand, if conditions in Europe do materially improve—and there are indications that they will—there may be an enlargement of that market. These are things however which are entirely beyond our control.

Mr. BRADETTE: May I ask the minister if there have been any special activities in regard to the selling of wheat in the orient, particularly China and Japan? I well remember the words of the Minister of Trade and Commerce when in the session of 1931 he said we had a big potential market in the orient for the selling of wheat, and that to some extent it was taking the place of rice. Is there any activity in that section of the world?

Mr. STEVENS: Every possible effort has been made in that direction. There is one answer, however, and it is this: If the wheat can be sold to Europe under that fixed quota there is no harm done, even if exports to another section do not increase, provided the hole there is filled by someone else. What has happened in recent years, based on the information I have just given, is this: Australia has greatly increased its exports to China. Australia's wheat is more suitable for the Chinese market than ours is. The Chinese people want a wheat with a high gluten content. They use it chiefly for the pastry type of food which they call noodles, which is one of the main articles of diet made in that country from flour. The use of bread in northern China is increasing, but not to a very great extent. Then, a further consideration is that the Chinese people themselves produce a large quantity of wheat. Sometimes we get the idea that China does not produce wheat. Although it is not known precisely what they do produce, because they have no fixed system of statistics, it is roughly estimated that they produce about 600,000,000 bushels.

Mr. MOTHERWELL: They are the fourth or fifth largest producers in the world.

Mr. STEVENS: Yes, and it is quite possible they may produce much more than that We do not know just how much is turned out; I have given the figure which is commonly used. The United States made a contract with China, on a credit basis, for the shipment of some of their western wheat. Their wheat grown in the states of California, Oregon and Washington is a soft wheat similar to that grown in Australia; it is not the hard Canadian variety. They do not export any hard wheat from the United States to China. They had a very serious surplus on the Pacific coast, and because of that they made one three-year and another five-year contract with China. They have not filled that contract, I may say. The demand has fallen off, and there has been an equalization in or a lessening of the spread between the depreciated currency of the far east and the American dollar, a factor which has stimulated the export of American wheat, but has materially checked the importation of wheat from other countries. That is the situation at the moment. We have done everything we can do to encourage the disposal of wheat in the orient. We have not however gone to the extent of giving our wheat away, as some people have suggested we should do. The reason we should not do that is, in my view this: The wheat flour business of China is controlled for all of northern China at Shanghai, by wonderfully efficient and comprehensive business organizations. There is no reason to believe that if Canada were to give 10,000,000 or 20,000,000 bushels of wheat to China for its so-called needy people in the interior, the wheat would ever reach them. We have gone into that matter very carefully, having been waited upon by kind hearted people who suggested something of the kind might be done. But there is no use in Canada's

giving 10,000,000 or 20,000,000 bushels of wheat to China if that wheat may fall into the hands of persons who, though not necessarily in need, would probably profit by it. Having carefully explored all these possibilities we do not know of anything we could do which would increase our sale of wheat to China. Of course we do a very nice business with Japan, and we are watching it very carefully.

Mr. REID: Is it not a fact that the matter about which the minister has been speaking is really one of currency? He has mentioned the Australian wheat as being very acceptable to China, but if he will look over the record of five years ago he will find that we were selling far more wheat to China than either Australia or New Zealand. I believe the whole situation can be traced to the currency problem.

Mr. STEVENS: The wheat about which the hon. member has been speaking was sold at a time when we had a great deal of cheap wheat. When we had a bad season with resulting tough and rusty wheat we used to send it to the orient, because that was one of the markets that would take it. Hon. members will find, if they check back, that when we had a lot of cheap wheat our exports to China increased.

Mr. VALLANCE: In view of what the minister has just said, namely that China is usually in the market when wheat is cheap, may I say that in February last wheat hit a low mark, as low as it had been in the last forty years. Is the minister prepared to make a statement with regard to an offer which was made to this country by an organization which offered to finance 50,000,000 bushels of wheat into China. Is that true?

Mr. STEVENS: The hon. member has asked that question before.

Mr. VALLANCE: But the minister did not answer it before.

Mr. STEVENS: My hon. friend asks it with a look in his eye which would seem to indicate there is something terrible about it.

Mr. VALLANCE: Not at all.

Mr. STEVENS: I remember an individual waiting upon me. The reason I hesitated before, and still hesitate to some extent to make an answer, is that the precise details of the discussion are not very well fixed in my mind. The information I shall give is accurate, but it may be incomplete. A certain gentleman did wait upon me, and we discussed the situation, as I have discussed it with many people, and gladly, on many occasions. He did not disclose that he was representing any organization. I am not saying he was not, but certainly that fact was not left on record, or in my mind. As a matter of fact, what made the whole thing an impossibility was that the price of the wheat was to be twenty-nine cents per bushel.

Mr. VALLANCE: Was the grade stipulated?

Mr. STEVENS: No. 2 grade, at twenty-nine cents per bushel.

Mr. VALLANCE: F.o.b. Vancouver?

Mr. STEVENS: No. There, again, I am speaking subject to correction, but my recollection is that it was a Winnipeg price. Yes, it was a Winnipeg price, because I remember in figuring it out in my mind I decided it was a figure we could not consider. That is substantially the story. In any case, the whole affair was incomplete; there was no definite offer made; and then, of course, there is the further point that we are not selling wheat. The pools and the dealers and the ordinary firms own, control and hold wheat, and can sell it at any time. Of course we invited these people to go to the wheat centre, at Winnipeg, and discuss it with pool authorities, and the exporters and owners of wheat in Canada.

Mr. VALLANCE: To the minister's knowledge did they do that? Did they go to Winnipeg?

Mr. STEVENS: I am again uncertain. So far as I can recollect they went to Winnipeg, and the men in the grain business did not take them seriously. That is my recollection.

Mr. RALSTON: Is there a commercial intelligence officer in Washington?

Mr STEVENS: There is Mr. Mahoney who looks after the commercial attache's office.

Mr. RALSTON: The Department of Trade and Commerce has no one there?

Mr. STEVENS: No.

Mr. RALSTON: And in New York?

Mr. STEVENS: Mr. Hudd has been there for some years.

Mr. RALSTON: And Tokyo and Paris?

Mr. STEVENS: In Tokyo Mr. Langley is the chief representative of this department, holding the title of commercial secretary; in Paris, Colonel Barrie.

Mr. RALSTON: Both under Trade and Commerce?

Mr. STEVENS: Yes.

Mr. RALSTON: Are there commercial attaches at the legations in Tokyo and Paris?

Mr. STEVENS: In Tokyo, Colonel Langley is. Colonel Barrie is not known as a commercial attache, but he is always available to the department through Mr. Roy.

Mr. RALSTON: Both are in a different category from Mr. Mahoney at Washington, who is directly under External Affairs?

Mr. STEVENS: Yes.

Mr. BENNETT: Mr. Langley is both.

Mr. STEVENS: Mr. Langley's office is in the legation in Tokyo and he works in close cooperation with the minister.

Mr. RALSTON: But paid by Trade and Commerce?

Mr. STEVENS: Yes, and does all our work.

Mr. GERSHAW: Canadian millers are often in a position to supply low-grade flour at a very low rate. Are our trade commissioners in a position to find out when there is a demand for this flour, and if so, do they keep the Canadian millers informed as to the possibilities?

Mr. STEVENS: We certainly keep ourselves advised and pass the information on to all our commissioners in all parts of the world. I do not quite know what my hon. friend has in mind, but I would point out the export abroad of low-grade Canadian flour is of no great advantage to Canada except that it may get rid of a certain amount of material; but as a medium for advertising Canadian wheat and flour it is an injury rather than a help. I say that frankly to my hon. friend because I remember distinctly an instance being brought to my attention some years ago where a lot of low-grade flour was shipped to the orient, and it certainly did the reputation for our flour considerable harm. So I should not think there is much advantage in the suggestion, except that in a year when there is a great deal of tough or frosted wheat, and when we are so short of higher grade wheat that we must mill a certain amount, then, of course, we have simply to do the best we can. Fortunately in not many years lately have we had that type of grain, so that the situation has not often arisen.

Mr. WEIR (Macdonald): The question I had in mind has been partially answered by the minister's reference to the Commercial Intelligence Journal. I used to think that there should be some reference in the Commercial Intelligence Journal to the promotion of the sale of wheat abroad. I quite understand now that it is probably more for the benefit of industries in this country, but I would ask the minister this question: Does he through his department make particular efforts through the agency of the trade commissioners to popularize the use of Canadian wheat abroad for the making of better bread and everything else that would go towards making people use more Canadian wheat, and a better quality of Canadian wheat in order to get a higher standard of bread?

With reference to Canada carrying out its part in connection with the world wheat agreement, I understand that a certain amount of publicity or propaganda is now being used to promote the wheat agreement in western Canada. I would ask the minister whether or not money is being spent by his department or out of any of these appropriations in that kind of publicity in the prairie provinces.

Mr. STEVENS: I think I answered that a moment ago. We are not spending anything on that at the present time.

May I correct a statement I made a few moments ago when I said that Colonel Barrie was not known as a commercial attache. In his official description I find that he is described as a commercial attache. At the same time I can confirm what I said a moment ago, that he is under this department and his salary is paid out of this vote.

In regard to advertising Canadian wheat and pressing its sale abroad, we have done a great deal in that direction. Shortly after I took office, and on several occasions since, I wrote personal letters to each of our trade commissioners supplementing what is ordinarily done through the department, pointing out to them the necessity of keeping to the very forefront at all times the marketing of our wheat and flour. I did that, not that I wished to disregard other commodities, but rather because it was an item of such supreme importance to Canada that I felt I was justified in doing it. Then in Winnipeg, in a laboratory attached to and under the Board of Grain Commissioners, we had a chemist make a series of scientific tests of our wheat and flour, ascertaining the baking qualities, and so forth. He made a series of comparisons showing that a certain percentage of Canadian flour mixed with flour made from, we will say, French wheat, Italian wheat, English wheat, and wheat of other countries in certain proportions, would give certain results. The scientific data was all set forth and photographs were made of the bread baked at these tests. The whole thing was set out in a very attractive little brochure which was

sent to every trade commissioner, and they were specially instructed in the technique of this subject, and also specially instructed that they must give every possible attention to the utilization of the information contained in the brochure for the purpose of encouraging the use of our wheat and flour. I merely mention these things to show that in these ways and otherwise we are doing the utmost we can in that direction.

Mr. WEIR (Macdonald): The minister is satisfied that that scientific information has been put out to the people?

Mr. STEVENS: Oh, yes.

Mr. BRADETTE: I should like to point out to the minister, who is chairman of the mass buying committee, that a certain anomaly exists in our internal and external trade in regard to flour. In our section of the country, when we buy flour from Winnipeg or the west, we have to pay more for it than people in Montreal, Halifax and Vancouver have to pay; and if my information is correct, people on the European continent, in London, Liverpool, and at Havre in France, can buy our flour more cheaply than we can buy it. Surely that is an anomaly that should be remedied; the Canadian consumer should not be penalized for buying Canadian flour. I thought it well to bring this matter to the attention of the minister, who is chairman of the committee investigating certain matters pertaining to our commerce, with a view to seeing whether we can avoid being penalized by having to pay a higher price than people abroad for our own Canadian production.

Mr. STEVENS: We have already made a partial study of that question and the material we have accumulated has been passed on to the committee.

Mr. RALSTON: I want to follow up the question I asked of the minister a few minutes ago with regard to the relationship between the department and the gentlemen in the capitals where we have legations. I am speaking particularly of Washington. I take it from what the minister says that Mr. Mahoney is under External Affairs altogether.

Mr. STEVENS: Right.

Mr. RALSTON: What I am anxious to see done, and I am sure the government is too, is that there shall be gathered together in one department all the information with regard to external trade, and particularly with regard to what is happening from time to time now in the United States, especially with regard to codes and tariffs. I make no complaint, because I was treated with the greatest courtesy, both by the minister and by Mr. Mahoney when I was in Washington. They put themselves out and gave me the fullest information and have kept me informed since that time. From my experience during the past few days I feel that I ought to be able to go to some department to find out the latest developments in connection with the different codes which might affect Canadian trade, as well as the latest information with regard to legislation and tariffs. The Minister of Trade and Commerce may get this information direct from Mr. Mahoney; I do not know. If he does, it would prove of great benefit to me as I would know where I could get it.

No doubt the Prime Minister, as Minister of External Affairs, and probably the Minister of Trade and Commerce, know that quite recently legislation was introduced into the American congress to provide for an embargo on all fish products into the United States. This is of particular concern to those engaged in the fishing industry. The departmental officials gave me the best information they could, but there does not seem to be any place where such information is concentrated. If I may say so, I think it ought to be concentrated in the Department of Trade and Commerce. Let me give one instance. The lobster code has recently been prepared. In that code is contained provisions with regard to measurement which may seriously affect our industry, although we do not think so. If that information were immediately available in the Department of Trade and Commerce it would prove to be of great assistance. In connection with tariffs, there is a possibility of the application of section 3 (e), I think it is, of the American act, whereby if it is found that importations are taking place under such conditions or in such quantities as to prejudice the commodities dealt with by the code, action may be taken by the president. Information as to what action may be taken or may be threatened to be taken under this section should be easily available to those interested in these industries.

Mr. STEVENS: We are supplied constantly with all this information by Mr. Mahoney and we keep a close check on all legislation, moves, and so on passed or made in the United States, as well as in other countries. All this information is available at any time.

Mr. BENNETT: The difficulty has been that in countries where legations have been set up the governments will deal only through

the legations and not through the trade commissioners. Since I have held office difficulty has arisen as to the status of our trade commissioner in Paris. He found it difficult to approach the government about any matter concerning trade except through the legation. I do not know whether there is any international rule governing this, but that is the fact. The rule here is that information as it comes into the Department of External Affairs is sent to the Department of Trade and Commerce, the Department of Agriculture, or whatever department may be affected. We cannot ask foreign governments to depart from their settled rules of procedure; we have to follow the rules they prescribe.

Mr. RALSTON: I was not thinking of an endeavour to influence governments; I was speaking more along the line of having news and information made available.

Mr. STEVENS: We have it.

Mr. BENNETT: As it comes here it is always available.

Mr. RALSTON: Has the minister received any information during the last two or three days with regard to this legislation putting an embargo on fish?

Mr. STEVENS: It is very difficult for me to express any views on that subject. All I can say is that it is being watched with care and everything consistent with neighbourly relations is being done to protect Canadian interests.

Mr. BENNETT: No item in any code promulgated thus far by the United States has imposed any restriction upon Canadian trade.

Mr. RALSTON: I am not talking about codes that have been promulgated.

Mr. BENNETT: I am just stating that. The discussions which take place between Ottawa and Washington cannot be considered in this house until finality is reached. To do so would violate a fundamental principle of relations between outlying representatives of the government and the government. Once more I repeat, it is a matter of singular satisfaction that not one single item in any code promulgated thus far has imposed restrictions upon Canadian trade. In connection with the trade in alcoholic liquors, we had practically a monopoly as our commodities complied with the regulations while the commodities of other countries did not.

Mr. RALSTON: Every code promulgated so far has preserved carefully the provisions of section 3 (e) which states that if goods are imported under such conditions or in such quantities as injuriously to affect the producers under that code, application may be made to the president to prohibit importations or to provide for licensing restrictions. While the Prime Minister is quite right, there is always the sword of Damocles held over our head. I was not referring to codes but rather to news as to the progress of information.

Mr. BENNETT: Obviously it is such news that could not be supplied.

Mr. RALSTON: We could have news about it.

Mr. MOTHERWELL: If it is understood that we are to be given an opportunity to discuss the wheat question when the Canada Grain Act is under consideration, I shall have nothing more to say to-night.

Mr. STEVENS: It would come more properly under that bill.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 26, 1934

The house met at three o'clock.

IMMIGRATION ACT AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 20, to amend the Immigration Act (definition of public charge).

Mr. GUTHRIE: Explain.

Mr. WOODSWORTH: The purpose of this amendment is simply to define public charge in order that people who to-day are forced to accept unemployment relief will be excluded from deportation proceedings.

Motion agreed to.

Mr. WOODSWORTH moved that the said bill be now read the first time.

Mr. GUTHRIE: Has this matter not already been dealt with this session? Not this paricular bill, but a similar bill introduced by another hon. member and voted upon?

Mr. BENNETT: It is the same bill in different words.

Mr. SPEAKER: The other bill was to amend another section of the same act. This bill seeks to amend section 2, the other was to amend section 40.

Mr. WOODSWORTH: May I point out that the bill introduced by the hon. member for North Winnipeg (Mr. Heaps) had to do with the procedure with regard to deportation proceedings; that is that the municipalities to-day are required to report to the minister those coming under unemployment relief. This bill is an entirely different one, and would exclude from the undesirable classes those who come under unemployment relief. It is a different bill altogether from the preceding one. It is in line with the bill I introduced into this house a year ago.

Mr. SPEAKER: Mr. Woodsworth moves that the bill to amend the Immigration Act (definition of public charge) be now read a first time.

Those in favour of the motion will say "aye."

Some hon. MEMBERS: Aye.

Mr. SPEAKER: Those opposed will say "nay."

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the nays have it.

(Some hon. members having arisen).

Mr. SPEAKER: Call in the members.

(The members having been called in).

Mr. SPEAKER: Mr. Woodsworth moves that the bill to amend the Immigration Act (definition of public charge) be now read the first time. Those in favour will kindly rise.

Mr. BEAUBIEN: May I rise to a point of order. I understand the motion is that the hon. member have leave to introduce the bill. That was the motion put to the house.

Mr. SPEAKER: I understood that motion to carry.

Mr. BENNETT: Yes.

Mr. WOODSWORTH: On a point of order, Mr. Speaker: I think the hon. gentleman who has just spoken is quite right. This bill has never been before this house except on one occasion.

Mr. SPEAKER: This motion is not debatable.

Mr. WOODSWORTH: This is a point of order, Mr. Speaker. I do not see how we can intelligently vote on a bill that has never been before the house, and I protest against that method of procedure.

Mr. SPEAKER: That is not a point of order at all. The bill is now before the house and the motion is for first reading.

Mr. WOODSWORTH: The bill is not before the house, and has not been printed.

Mr. SPEAKER: Does the hon. member not wish to introduce the bill?

Mr. WOODSWORTH: The bill has not been printed; hence it cannot be before the members of this house. I have had no opportunity of explaining what the bill is about.

Mr. SPEAKER: The practice is to print the bill after it has been given first reading. This bill is being dealt with as other bills before the house are dealt with. What is the hon. member's point of order?

Mr. WOODSWORTH: My point of order is that it is customary in this house to have the introduction of a bill, and first reading usually takes place automatically. Then the bill is printed, and as members of the house we have an opportunity of seeing what the bill is. By the procedure now being adopted the members of this house have no opportunity at all of knowing what the bill really is, and I submit that it is not fair to reject the bill before it has been placed in the hands of the members of the house.

Mr. SPEAKER: The hon. member had an opportunity of explaining the bill when the motion was made for leave to introduce it, and to some extent he explained the bill. This bill is being treated as other bills before the house are treated; if it is given first reading all hon. members will have ample opportunity to consider it. If the house does not choose to give the bill first reading, that is the privilege of the house.

Mr. MACKENZIE (Vancouver Centre): May I refer Your Honour to rule 746, at page 214:

> Though no amendment or debate is permissible on the question for reading the bill a first time, it is quite regular to divide the house thereon.

Mr. SPEAKER: That is what is being done.

The house divided on the motion (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Blair	Butcher
Bouchard	Carmichael
Boulanger	Chevrier
Bradette	Donnelly
Brown	Duff

Euler
Fiset, Sir Eugène
Garland (Bow River)
Gershaw
Gray
Hanson (Skeena)
Heaps
Heenan
Howden
Hurtubise
Ilsley
Irvine
Kennedy
(Peace River)
King, Mackenzie
Lucas
MacInnis
Mackenzie
(Vancouver Centre)
MacLean
MacMillan
(Mackenzie)
McPhee
Marcil
Motherwell
Neill
Parent
Perras
Power
Reid
St-Père
Stewart
(Edmonton West)
Totzke
Veniot
Woodsworth—42.

NAYS

Messrs:

Arsenault
Barber
Beaubier
Belec
Bell (St. John-Albert)
Bennett
Beynon
Bourgeois
Bowman
Burns
Bury
Chaplin
Charters
Cotnam
Cowan (Long Lake)
Dickie
Duranleau
Ernst
Fraser (Cariboo)
Gagnon
Geary
Gobeil
Gordon
Hackett
Hanson
(York-Sunbury)
Hay
Johnstone
Jones
Loucks
MacLaren
MacMillan
(Saskatoon)
MacNicol
McGibbon
McGillis
McLure
Manion
Matthews
Morand
Mullins
Murphy
Myers
Nicholson
Perley, Sir George
Pettit
Plunkett
Price
Quinn
Rogers
Shaver
Short
Smith
(Victoria-Carleton)
Smith
(Cumberland)
Smoke
Spankie
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Swanston
Tétreault
Thompson (Lanark)
Tummon
Turnbull
Weir (Melfort)
White (London)
White (Mount Royal)
Willis—70.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (High Park)
Anderson (Halton)
Arthurs
Baribeau
Barrette
Bell (Hamilton)
Bell (St. Antonie)
Bell (St. John)
Black (Halifax)
Mitchell
Factor
Boucher
Beaubien
Rhéaume
Mercier (St. Henri)
Raymond
Dubois
Dubuc

[Mr. Speaker.]

Bowen
Boyes
Cahan
Cantley
Casselman
Cowan (Port Arthur)
Davies
Dorion
Duguay
Dupré
Edwards
Embury
Esling
Fortin
Ganong
Garland (Carleton)
Gott
Guthrie
Harris
Kennedy (Winnipeg)
Laflèche
Larue
Laurin
Lawson
Lennox
MacDonald
(Cape Breton)
McDonald (Kings)
McDougall
McDade
McGregor
Maloney
Moore (Chateauguay)
Peck
Perley (Qu'Appelle)
Pickel
Porteous
Rhodes
Ross
Robinson
Rowe
Ryerson
Sauvé
Senn
Simpson (Simcoe)
Simpson (Algoma)
Spence
Stevens
Stitt (Selkirk)
Sullivan
Sutherland
Thompson (Simcoe)
Weese
Wilson
Wright
McKenzie
(Assiniboia)
Coote
Rinfret
Cardin
Howard
Ilsley
Spencer
Verville
Dumaine
Ferland
Elliott
Bothwell
Hanbury
Fafard
Michaud
Goulet
Rutherford
Lapointe
Jacobs
McIntosh
Girouard
Thauvette
Fontaine
Hall
Pouliot
Urquhart
Ahearn
Denis
Dupuis
Gardiner
Young
Deslauriers
Hepburn
Munn
Speakman
Macphail, Miss
Ralston
Roberge
Desrochers
Lacroix
Taylor
Séguin
Sanderson
Luchkovitch
Casgrain
Fraser (Northumberland)
Malcolm
Weir (MacDonald)
Brasset
Moore (Ontario)
Jean
Fournier
Vallance
Golding.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto Northeast (Mr. Factor). Had I voted, I would have voted against the introduction of the bill.

Mr. YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted, I would have voted for the introduction of the bill.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted, I would have voted against the introduction of the bill.

Mr. DUPRE: I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted against the introduction of the bill.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted against the introduction of the bill.

Mr. GOTT: I was paired with the hon. member for Kent, Ontario (Mr. Rutherford), Had I voted, I would have voted against the introduction of the bill.

Mr. SIMPSON (West Algoma): I was paired with the hon. member for Charlevoix-Saguenay (Mr. Casgrain). Had I voted, I would have voted against the introduction of the bill.

Mr. EMBURY: I was paired with the hon. member for Swift Current (Mr. Bothwell). Had I voted, I would have voted against the introduction of the bill.

Mr. PORTEOUS: I was paired with the hon. member for Southeast Grey (Miss Macphail). Had I voted, I would have voted against the introduction of the bill.

Mr. WRIGHT: I was paired with the hon. member for South Huron (Mr. Golding). Had I voted, I would have voted against the introduction of the bill.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted, I would have voted against the introduction of the bill.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted, I would have voted for the introduction of the bill.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the introduction of the bill.

Mr. MUNN: I was paired with the hon. member for Qu'Appelle (Mr. Perley). Had I voted, I would have voted for the introduction of the bill.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted, I would have voted for the introduction of the bill.

Mr. SPENCER: I was paired with the hon. member for Athabaska (Mr. Davies). Had I voted, I would have voted for the introduction of the bill.

Mr. HANBURY: I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted, I would have voted for the introduction of the bill.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted for the introduction of the bill.

Mr. BARRETTE (Translation): I was paired with the hon. member for Saint John-Iberville (Mr. Rhéaume). Had I voted I would have voted against the introduction of the bill.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted against the introduction of the bill.

Mr. BEAUBIEN (Translation): I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted I would have voted for the introduction of the bill.

SILVER AGREEMENT

On the orders of the day:

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, on Thursday last the hon. member for New Westminster (Mr. Reid) submitted a question as to those countries which had ratified the London silver agreement. I have no official information to give the house, but I am advised that up to the moment notice of signature has been given by the United States, Australia, India, and Mexico.

RIDING MOUNTAIN PARK

INQUIRY CONCERNING LICENCE FOR THE SALE OF BEER

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I should like to ask a question of the Minister of the Interior (Mr. Murphy). Has the application made to the Manitoba liquor commission for a beer licence in Riding Mountain park received the approval of the minister, or does he intend to give his approval to such application?

Hon. T. J. MURPHY (Minister of the Interior): The application has been made to the provincial government of the province of Manitoba. Any reply would necessarily have to be given by that body.

Mr. BROWN: Not quite a satisfactory answer.

WHEAT AGREEMENT

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the other day the

hon. member for Weyburn (Mr. Young) asked a question with respect to the wheat agreement. I find that the answer which I gave him the other day as to the computation of acreage on the three-year average, and yield on the ten-year average was correct. I propose by the end of the week, if I receive the information I am seeking, to give a more formal statement with respect to the whole matter.

WHEAT MARKETING BOARD

QUESTION AS TO ADVISABILITY OF CONSTITUTING SUCH BODY

On the orders of the day:

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, I should like to ask a question of the Prime Minister. In recent months has the government given consideration to the advisability of setting up a regularly constituted wheat marketing board, and if so when may we expect an announcement thereon? As I failed to extend to my right hon. friend the usual courtesy notice in connection with this question, a reply at a later date will be satisfactory.

Right Hon. R. B. BENNETT (Prime Minister): I am delighted to think the hon. gentleman has put it that way, because he asks a question and then asks further, as to when an announcement may be expected. Apparently he does not expect it to-day, and I am obliged to him.

SMALL LOAN COMPANY OF CANADA

Mr. G. R. GEARY (South Toronto) moved the second reading of Bill No. 15, to incorporate the Small Loan Company of Canada.

Some hon. MEMBERS: Explain.

Mr. GEARY: This is a bill which I have introduced at the request of a very reputable set of people. While I know very little about it myself I am advised that it follows in its terms precisely the bill that was passed by this house last year. This bill has to do with the making of small loans on personal security. I am aware that there was some objection made to the bill last year, but as far as I am advised there was no change made therein, and I am also told that the superintendent of insurance approved the principle and thought that such companies as these were of some use in the community as they absorbed the pressure to get small loans rather than large loans, and loans on personal property rather than on real property.

[Mr. Bennett.]

Mr. MACKENZIE (Vancouver): Is this bill to be referred to the private bills committee, may I ask?

Mr. GEARY: It will go to that committee, I suppose.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): I would like to make two observations upon the second reading of this bill. My first observation is that we have a bill before the house setting up a central bank, and therefore I do not see the necessity of incorporating the Small Loan Company of Canada.

My second observation is a more serious one. We all remember the Stavisky scandal in France which came about through the bankruptcy of a corporation of this very kind. Parliament should be very careful about incorporating small loan companies in Canada. I have always advised my electors to be prudent in these matters. I do not see why these gentlemen should come to parliament for a bill of this kind because there are loaning facilities in every branch of every chartered bank in Canada. These chartered banks come under the department of the hon. Minister of Finance (Mr. Rhodes), and there is a very thorough inspection of them, while the small loan companies are not subjected to the same inspection and care. If we give this bill its second reading I am afraid that people might go throughout the country selling shares of this corporation, just as they have done in the case of other companies, stealing the people's money and holding out to them the prospect of making huge profits if they invest in such a scheme. We know these birds of prey who tour the country urging the people to invest their money in such and such a scheme which the promoters say will produce for the people a profit of 25 and sometimes 50 per cent a year. But what happens? If a man subscribes $500 in such a scheme they cash his cheque and give him back $250 the same day and tell him, "Here is your profit, and you are getting it back the same day that you invested your money." Then they decamp with the other $250 and he never sees them again until the police catch them.

There was a finance corporation that failed in Toronto a few years ago. I am not against finance. I am not against the lending of money to poor people, but I do not like what we call in French "prêts à la petite semaine"—that Shylock method of lending money to individuals.

Companies of this sort ask all kinds of guarantees. We do not know anything about any of these people. They may be honest.

We may give them the benefit of the doubt and say that they might be honest but perhaps they are not, and it is my duty, representing not only my county but the Canadian people in this parliament, to advise my colleagues to be very careful about companies of this kind, and also to ask my hon. colleagues in this house not to let this bill pass without first of all scrutinizing it very thoroughly. Otherwise the people will say, "It is you, the House of Commons and the Senate, which passed this legislation giving these people the chance to cut the flesh of our fellow-citizens." I do not see the necessity for this bill. I do not know any of these people. I am always ready to oblige anyone who comes here with decent legislation, and perhaps this is decent legislation, but perhaps it is not. We need more information, and I would ask the hon. gentleman who has moved the second reading of this bill to delay before pressing for a vote on the second reading so that we may get more information.

Mr. R. W. GRAY (West Lambton): Mr. Speaker, I rise to oppose the second reading of this bill. I would call the attention of hon. members of the house to just two or three points before they vote on the second reading.

First of all, I would ask them to read section five of the bill and to note that paragraph (b) of that section provides that—

Mr. HANSON (York-Sunbury): Read the section.

Mr. GRAY: It is a long section, and the hon. member has the bill before him. Paragraph (b) provides:

> Notwithstanding anything contained in the Interest Act, or in the Money Lenders Act, or in paragraph (c) of section sixty-three of the Loan Companies Act,

—this company may do certain things which the section goes on to enumerate. I just wish to point out to the house that these various acts mentioned and section sixty-three of the Loan Companies Act were passed for the very purpose which the hon. member for Temiscouata (Mr. Pouliot) has pointed out, for the protection of the people of this dominion, and that they have been on the statute books for many years. I am of the opinion, regardless of what the promoter of this bill may say, that we have quite enough of these small loan companies acts, and perhaps too many already, and the time has come when we should scrutinize them with a great deal more particularity than we have done in the past.

I would also call attention to subsection (i) of section five which permits the company to lend on various types of securities, and I would particularly ask hon. gentlemen to note that although subsection (i) of section five provides that the interest rate may not be more than seven per cent, this interest is deducted at the time the loan is made, and that the amount loaned is payable weekly, monthly or per annum as it may be provided, and so at the very end of the first month there is an overlapping of interest, and before the loan is finally paid off the party borrowing has paid very much more than seven per cent interest.

The next subsection (ii), marginally noted, Charges for Expenses, provides that two per cent upon the principal of the loan may be charged by the company for expenses. That makes nine per cent, and more as I have already pointed out.

The next subsection (iii) provides that there may be an additional charge. This subsection provides that for the drawing of a chattel mortgage which they take upon the various chattels as security they may charge an additional $10 regardless of the size of the loan. This is exorbitant, and I protest and ask the house, if they decide that this bill shall go to the private bills committee, to see that the whole bill be very carefully scrutinized in order that the general public may be protected.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I am inclined to agree with the hon. gentleman who has just taken his seat, although I am not unmindful of the fact that in days gone by similar charters have been granted by this parliament. In those days I protested against the granting of charters which gave to a company powers of the character mentioned in this bill. Surely the days of usury are past; if the chartered banks of this country are to be limited to six and seven per cent by action of this parliament, this same parliament should not set up a company which can charge forty per cent. Personally, I think it would be fair to have this bill go to the private bills, the banking and commerce or some other appropriate committee but I think this parliament should pause and consider before there is created under the imprimatur of this and the other house a corporation which will be able to do what this bill will permit it to do. I feel like voting against the second reading but if it is the sense of the house that this bill should go to a committee, well and good. Personally, I do not think we have room in this country for

this class of company although I am bound to say that the superintendent of insurance has stated before committees of this house that this class of corporation fills a need in the community. I never agreed with him and I propose to vote against the second reading.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, we have on our files a bill to create a central bank of Canada and another one to revise the Bank Act of Canada. These bills are intended to revise the whole financial system of Canada. Under the circumstances, I think this is the proper time for the Minister of Finance (Mr. Rhodes) and the government to step in and hold up this bill until they have learned from the action taken in connection with the other bills just what is the feeling of this house. I think this should be done before any further legislation of this character is permitted to pass.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, I desire to add my opposition to this bill. The hon. member who introduced it (Mr. Geary) has referred to the fact that already similar companies are in existence. I do not think that is sufficient justification for the creation of this company and, in fact, I think we should give serious consideration to putting some curb upon those already in existence. I have in my office at the present time an illustration of where one of these companies has been receiving until recently one hundred per cent on their investment, mainly through what they call a financing charge. I think the time has come when this type of legislation should be gone into. We should not encourage the people to buy that for which they cannot afford to pay, and that is what this type of financing is supposed to do. I do not think I can agree with the hon. member who has suggested that we should allow this bill to go to committee; I think we should take a vote upon it right now and kill it immediately. If the hon. member wants to reconsider his bill and bring it up in another form which will put some limit upon the financing and other unreasonable charges, perhaps I might change my mind. I do not say that I am against any particular bill but I am against this type of legislation and I think this bill should be killed right now.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on several occasions this house has considered legislation of this character. The bill now before us has been approved by the superintendent of insurance and follows exactly the terms of three previous bills which were passed by this house. Personally I share the view of hon. members who have stated that permitting a company with statutory responsibilities or statutory authority to charge the rates which have been charged on personal loans is a scandal. Nevertheless, it must be remembered that on the second reading we consider the principle and not the details of a bill. The sections to which the hon. member for West Lambton (Mr. Gray) has referred are sections which the banking and commerce committee presumably would either strike out or amend. If this bill were destroyed at this stage it would mean that a number of persons who desire to be incorporated with a capital of a substantial sum of money would be deprived of that opportunity.

Mr. HANBURY: Even if they wanted to do business legitimately.

Mr. BENNETT: Even if they wanted to do business legitimately. It is the usual custom, as the hon. gentleman will remember with his bridge bill last year, to permit these bills to go to a committee where changes may be made which will conform to the views of the committee.

Mr. GRAY: I do not suggest that it should not go to a committee.

Mr. BENNETT: I believe the hon. gentleman is a member of that committee and I suggest that the bill should go to the committee for the purpose of eliminating all those objectionable sections to which he has referred. Then, as has been suggested by the hon. member for Vancouver-Burrard (Mr. Hanbury), those who seek incorporation can either take it or leave it. I submit respectfully that these matters are matters to be dealt with by the committee and not by the house because the principle of the bill is the incorporation of a company with capital to make loans.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I submit that there is something more in this bill than simply the principle, to incorporate a company. It is the principle permitting it to do business along the lines indicated in the bill. By deciding as to the second reading we decide as to whether or not we want this kind of principle to prevail. I do not see why we should pass an undesirable principle at this stage and leave it to a committee to revise it afterwards.

Mr. BENNETT: The promoters could be heard.

Mr. WOODSWORTH: It is only a matter of less than an hour since a public bill was dealt with in a very different way. That bill was killed on the first reading before members had a chance to consider it. That bill could have gone to a committee which committee could have received suggestions from the Minister of Immigration (Mr. Gordon) as to what changes should be made in order to bring it into harmony with the policies of the government. This procedure was not followed in the case of a public bill involving large numbers of our fellow Canadians and I do not see why it should be taken in the case of a company which asks for power to do business by methods which are generally believed to be not in keeping with the welfare of this country. I do not see why this bill should be put forward one stage.

Hon. CHARLES STEWART (West Edmonton): I oppose this bill for all the reasons which have been put forward and for another one as well. A great number of these small loan companies have received charters from the provincial governments and I do not see why this company should not make application to the government of Ontario for authority to do business in that province. They could then take their chances of being permitted to do business in the other provinces of Canada. They are now endeavouring to get the privilege of doing business in every province of Canada willynilly. I am against the principle of this bill and I intend to oppose it altogether. I know that the government proposes to bring in legislation to exercise some restraint upon these companies but heretofore such restraint has not been imposed and that is why such companies come to the federal government for their charters. For this reason more than any other I am opposing the second reading of this bill.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, the reason such companies come to the federal government for charters is not to evade the requirements of any provincial legislation as they cannot operate or do business in any province of Canada without first obtaining a provincial licence under the terms of the provincial act.

Mr. STEWART (Edmonton): Other companies have been doing it.

Mr. GUTHRIE: I rise to speak with regard to this bill because I notice that the provvisional directors named in the bill represent a family in the city of Guelph, which is one of the best known families in the Dominion of Canada. The head of their family at the present time is Mr. Arthur Cutten of Chicago. This company will not prove a minor or temporary institution. It will be a most substantial undertaking with a million dollars of capital which will be largely if not altogether under the control of members of the Cutten family. This fact alone should be a sufficient answer to much of the criticism which has been offered upon this motion.

All the promoters ask in this motion is that this bill be read a second time and go to the appropriate committee. It may be sent to the private bills committee or it may be sent to the banking and commerce committee, I care not which; but when it goes to the committee the promoters of the bill are entitled to appear and state their case—they cannot appear in this house. The committee may incorporate in the bill such conditions or stipulations with respect to the operations of the company as it may see fit. But surely, having advertised this bill as required by law, having paid the fee as required by law, having properly brought the bill before parliament, the promoters are entitled to be heard in the fullest manner. That is all that the second reading of the bill involves. The bill will be fully under the control of whatever committee it is referred to, and any amendments the committee deems proper to place in the bill may be embodied in it. Subsequently it will be referred back to the house and the house in committee will again deal with it. I submit that the bill should be read the second time and sent to the appropriate committee so that it may be given the fullest consideration.

Mr. J. L. ILSLEY (Hants-Kings): If the house divides I shall have to vote to send the bill to the committee, because I agree with the Minister of Justice (Mr. Guthrie) in the observations he has made. But in voting that way I should add a word of explanation, because, with the other hon. members who have spoken with respect to the operation of these companies, I am in thorough agreement. I know that in the part of Canada from which I come there is a great deal of complaint with respect to the operation of these companies that make small loans, and I respectfully suggest to the house and the government that possibly some steps should be taken to bring these companies a little more into line with what the public expects them to be.

It may be said that the provincial companies are incorporated by provincial law, but this parliament has jurisdiction over interest and interest rates, and it is high time

that the basis of operation of this particular type of company be looked into. I shall vote to send the bill to the committee, if the house divides, but in doing so I want it understood that I am fully sensible of the objections to the measure.

Mr. A. L. BEAUBIEN (Provencher): I strongly object to this bill, and one of my chief reasons for objecting is the vote taken a little while ago on the bill that was presented by my hon. friend from Winnipeg North Centre (Mr. Woodsworth). A gentleman presents a bill which affects the lives of many people, those liable to be separated from their families, and,—

Mr. BENNETT: I rise to a point of order. The hon. member is discussing a bill on which the house has already taken action, and further discussion of that bill must surely be out of order in connection with the motion now before us.

Mr. BEAUBIEN: I am giving my reason for opposing this bill. If I am in order I will go on.

Mr. SPEAKER: The motion is for the second reading of Bill No. 15.

Mr. BEAUBIEN: I am giving my objections to this bill, Mr. Speaker.

Mr. BENNETT: Mr. Speaker, you did not hear what I said. I said that the hon. gentleman is referring to a vote just taken and, under the motion now before the house, is discussing the previous bill which he says affects the lives of thousands of people. That bill has already been disposed of by the house, and according to the rules of this house, past debate having ended that matter, it cannot now be the subject of further discussion; that is all.

Mr. POULIOT: I rise to a point of order, and I want to state my point of order. The rule of the house is this, that a member may not quote from any debate of the same session; but no member is prevented from referring to a previous act of this house, by way of comparison with what is being done now. I respectfully disagree with the member for West Calgary. If the hon. member for Provencher had attempted to read what the hon. member for Winnipeg North Centre had said, while discussing the bill, he would be prevented by the Chair from reading. But he is not doing that at all; he is just referring to an act of this house, and he is perfectly entitled to do so. This is the point of order I want to raise, not only in connection with this debate but with respect to future action by this house.

Mr. SPEAKER: The hon. member for Provencher will confine his remarks to the advisability or otherwise of giving the present bill second reading.

Mr. BEAUBIEN: Thank you, Mr. Speaker. My reason for voting against this bill is this. The Minister of Justice said that these people had spent their money and that the custom of the house was to have such bills read the second time and sent to the committee on banking and commerce to be reviewed, so that its promoters might have an opportunity to appear and state their case. But this is my objection—and I think I am in order in the statement I am about to make. How can I vote either for or against a bill I have never seen? Yet this house votes against the principle of allowing bills to be introduced. I do not see any consistency in such action.

Mr. SPEAKER: The present motion is for the second reading of the bill; the first reading was carried.

Mr. BEAUBIEN: No doubt the first reading was carried, Mr. Speaker, but the principle is the same. Now, may I say that in my opinion we have too many of these loan companies who have gone about the country fleecing people who know nothing about finance. We have had such companies in Winnipeg. There was one music company that fleeced everyone it came in contact with; it had no other object than that. If you vote for the second reading of this bill you vote for the principle of it, as far as I understand the rules. If you refer the bill to a committee you are virtually saying, by a majority vote of this house, that you approve of the principle laid down in the bill, and I am opposed to it.

Mr. O. L. BOULANGER (Bellechasse): I will vote against the second reading of this bill, for a reason not yet stated in the house. It seems to me that the purpose of the bill is the creation of a pawnshop—a pawnshop similar to the one that caused so much trouble in France. You will be convinced of that if you read the beginning of section 5 of the bill. I have not my English file before me, but in French it reads:

(1) La compagnie peut, dans tout le Canada:

(a) acheter, vendre et négocier des contrats de vente conditionnelle, des billets de créances priviligiées, des contrats de vente à tempérament, des hypothèques mobilières—

The English version reads:

The company may throughout Canada:
(a) buy, sell, deal in and lend money on the security of conditional sales agreements, lien notes, hire purchase agreements, chattel mortgages—

Chattel mortgages are prohibited in Quebec by the civil code.

—trade paper, bills of lading, warehouse receipts, bills of exchange and choses-in-action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other security for the performance and payment thereof and may enforce such guarantees and realize on such security.

The purpose of the bill is to authorize the company to loan money on chattel mortgages and on movable property pawned with them, and therefore the purpose of the bill is the creation of nothing else but a pawnshop. And we have already too many of these pawnshops.

Mr. E. J. YOUNG (Weyburn): It seems to me that the very fact that these gentlemen come before parliament and ask for the powers enumerated in this bill would indicate that they intend to use those powers if they get an opportunity, and the powers asked for include the charging of higher rates than the law allows. Now, when men deliberately declare that this is their intention they should not be encouraged to go into the loaning business.

Mr. H. E. SPENCER (Battle River): I rise to oppose the second reading of this bill. It is true that we have some similar measures on the statute books, but companies have of late years attempted to get similar bills through this house and on two occasions that I know of they have been defeated. Only a year or so ago we had one very similar bill before the banking and commerce committee, and we then thought it was not in the best interests of the country to pass it. I trust this bill will not get second reading.

Hon. P. J. VENIOT (Gloucester): While I am opposed to the enactment of any legislation of this kind for the reasons given, I have always believed that a bill should never be killed before it reaches a committee. In my parliamentary experience the attitude I have always assumed is that any bill properly introduced before the house should receive its first and second readings, go to committee and there have its merits threshed out. For that reason, while opposed to the principle of this legislation, I will have to vote for the second reading of the bill.

Mr. GEARY: Mr. Speaker—

Mr. SPEAKER: If the hon. member for South Toronto (Mr. Geary) speaks now he will close the debate.

Mr. GEARY: I have nothing to add except that I may agree with everything that has been said in opposition to this bill, I am not wedded to its provisions at all, but it is for the incorporation of a company for the purpose of making loans, a sort of business that according to the superintendent of insurance fills a need. I may be among the first to oppose some of the particular provisions of the bill, but as a general principle this bill has its right to go to the committee. My hon. friend, the member for Bellechasse (Mr. Boulanger) spoke of pawnshops. Fortunately I am not in a position to say much about that class of business, but as far as my information goes this has nothing whatever in common with pawnshops. A pawnshop is a place for depositing certain concrete material, in return for which I understand you get a loan, and if you are lucky you pay the loan and get back your pledge. This is an entirely different proposition, having to do with conditional sales agreements, chattel mortgages, hire purchase agreements and so on, well-known to us in Ontario, perhaps not so well known to my hon. friend from Bellechasse. This bill may come back from the committee in an unrecognizable form. I shall be quite prepared to see it altered in any way that may commend itself to the committee, but that does not interfere I think with the principle that we should give the committee the opportunity to treat it as it pleases. One of my hon. friends reminds me of what I happened to observe before my hon. friend the Minister of Justice mentioned it, that the personnel of the incorporators is all right, there is no objection to be made to them in any way. At the least I think we should allow them their chance to come in person or by counsel before the committee and meet the objections and advocate the measure if they so choose.

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

YEAS

Messrs:

Arsenault	Burns
Arthurs	Bury
Barber	Cahan
Beaubier	Chaplin
Belec	Charters
Bennett	Cotnam
Bourgeous	Cowan (Long Lake)
Bowman	Dickie
Boyes	Duguay

Dupré
Duranleau
Ernst
Fraser (Cariboo)
Gagnon
Geary
Gershaw
Gobeil
Gordon
Gray
Guthrie
Hall
Hay
Ilsley
Johnstone
Jones
Kennedy (Winnipeg South Centre)
Loucks
Macdougall
MacLaren
MacMillan (Saskatoon)
MacNicol
McGibbon
McGillis
McLure
Manion
Matthews
Morand
Motherwell
Mullins
Murphy
Myers
Nicholson
Perley (Qu'Appelle)
Perley, Sir George
Pettit
Plunkett
Price
Quinn
Robinson
Rogers
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spankie
Sproule
Stanley
Stevens
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Swanston
Tétreault
Thompson (Lanark)
Tummon
Turnbull
Veniot
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Wright—87.

NAYS

Messrs:

Bertrand
Blair
Bouchard
Boulanger
Bradette
Brown
Butcher
Carmichael
Chevrier
Donnelly
Duff
Fiset, Sir Eugène
Garland (Bow River)
Hanson (Skeena)
Hanson (York-Sunbury)
Heenan
Howden
Hurtubise
Irvine
Kennedy (Peace River)
Lucas
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacLean
McIntosh
McPhee
Marcil
Mercier (Laurier-Outremont)
Munn
Neill
Parent
Pouliot
Power
Reid
St-Père
Stewart (Edmonton West)
Stitt (Selkirk)
Totzke
Weir (Macdonald)
Woodsworth—41.

Mr. SPENCER: I was paired with the hon. member for Athabaska (Mr. Davies). Had I voted, I would have voted against the motion.

Mr. YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted, I would have voted against the motion.

Mr. HANBURY: I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted, I would have voted against the motion.

Mr. PORTEOUS: I was paired with the hon. member for Southeast Grey (Miss Macphail). Had I voted, I would have voted for the motion.

Mr. GOTT: I was paired with the hon. member for Kent, Ontario (Mr. Rutherford). Had I voted, I would have voted for the motion.

Mr. BELL ((St. John-Albert): I was paired with the hon. member for Nicolet (Mr. Dubois). Had I voted, I would have voted for the motion.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted, I would have voted for the motion.

Mr. PERRAS (Translation): I was paired with the hon. member for Stanstead (Mr. Hackett): Had I voted I would have voted against the motion.

Mr. LACROIX (Translation): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted I would have voted against the motion.

Mr. ROBERGE (Translation): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted against the motion.

Mr. GEARY: Mr. Speaker, I move that the bill be referred to the select standing committee on banking and commerce.

Motion agreed to on division.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*DUNDURN SASK., RELIEF CAMP

Mr. TOTZKE:

1. Were tenders called for the supply of door sets to the Dundurn, Saskatchewan unemployment relief camp?
2. What was the quantity required?
3. Who are the tenderers?
4. What was the price submitted by each tenderer?
5. To whom was the contract awarded and at what price?

Mr. BENNETT: Mr. Speaker, with respect to questions Nos. 1, 4, 5, 6, 7 and 8, the government is without information. With regard to questions 2 and 3, they come under the well known rule, and are not in the public interest to answer.

Mr. SPEAKER: Does that include question No. 9?

Mr. BENNETT: Yes.

*CAIRO POSTAL CONGRESS

Mr. POULIOT:

1. What members of the Canadian delegation took part at the opening of the postal congress at Cairo?
2. How many meetings were held each day since the opening of the congress?
3. At how many meetings did each member of the Canadian delegation attend?
4. Are all the members of the Canadian delegation at Cairo at present?
5. If not: (a) who are those at present at Cairo and why did they remain; (b) what members have left Cairo; (c) why; (d) on what date did they leave there; (e) will they return directly from Cairo to Canada; (f) what is their itinerary for the return voyage; (g) where are they at present; (h) when are they expected in Canada?

Mr. SPEAKER: I have considered this question very carefully, and I consider it frivolous; it should not be on the order paper. I make the same ruling with regard to question No. 12; they will both be struck off.

*CAIRO POSTAL DELEGATION—COMMUNICATIONS

Mr. POULIOT:

1. Since the beginning of the session has the government communicated by cablegram, wireless, telegraph or wireless telephone, with the members of the Canadian delegation at the postal congress at Cairo?
2. If so, on what dates and in what manner?
3. Since the opening of the session have the members of the Canadian delegation at the postal congress at Cairo communicated with the government by cablegram, wireless telegraph or wireless telephone?
4. If so, on what dates and in what manner?

Mr. BENNETT: This is not in the public interest to answer.

Mr. POULIOT: I wish to explain just one thing in connection with this question, in order to facilitate an answer from the government.

Mr. SPEAKER: When the question has been answered the matter is not subject to debate. The hon. member will have to approach it in some other manner.

Mr. POULIOT: Yes, sir, I will.

*"FORTY DAYS IN CANADA"

Mr. POULIOT:

1. Did the government send His Majesty King George V a copy of the album entitled, "Forty Days in Canada"?
2. If so, who sent it and at what date was it sent?
3. Did the government receive an acknowledgment of its reception?
4. If so, at what date and from whom?

Mr. SPEAKER: I find that this question was sufficiently answered on February 19; the answer will be found in Hansard.

FRENCH CIVIL SERVANTS

Mr. GOULET:

1. What was the total number of full time civil servants bearing French family names, within the salary range of $3,000 to $4,020, connected with any government department, board, commission or bureau, on January 31, 1934?
2. What was the total number of such civil servants within the salary range of $4,020 to $5,040, on January 31, 1934?
3. What was the total number of such civil servants of a class or grade calling for a minimum annual salary in excess of $5,040, on January 31, 1934?

Mr. CAHAN: Inasmuch as appointments to the civil service are made under the provisions of the Civil Service Act on the basis of the ascertained qualifications of the respective applicants and not on the basis of the racial affinities of the appointees, the information sought is not available.

OTTAWA-HAWKESBURY ROAD

Mr. GOULET:

1. Has the government assumed the road from Ottawa to Hawkesbury as part of the trans-Canada route?
2. If so, will the county continue to pay 20 per cent to the government as in the past?

Mr. GORDON:

1. Public highways in the various provinces of the dominion are wholly under provincial jurisdiction and the dominion has not assumed any responsibility in regard to provincial roads either in part or in whole. Under the various relief acts the federal government has, however, been contributing to the amounts expended by the provinces on provincial highways, including the so called trans-Canada highway.

2. See answer to No. 1.

MONTREAL PARCEL POST TRANSPORTATION

Mr. POULIOT:

1. Has Mr. Ernest Laurent the contract for the transportation of parcel post in the city of Montreal?

2. If so: (a) since when; (b) for a temporary or a fixed period; (c) for what period; (d) at what terms; (e) for what considerations; (f) what amount has he received under the terms of this contract up to the 1st of February, 1934; (g) was this contract awarded after tenders were called; (h) if so, was his original tender the lowest; (i) who were the other tenderers and the amount of their respective tenders; (j) was he recommended to the Post Office Department; (k) if so, by whom?

Mr. DUPRE (for Mr. Sauve):

1. Yes.

2. (a) October 28, 1930; (b) temporary period; (c) at Postmaster General's pleasure; (d) and (e) 70 cents per hour from October 28, 1930, to September 30, 1931, and 80 cents per hour from October 1, 1931, to date; (f) $90,450.95; (g), (h), (i), (j) and (k) no. Service is operated under a temporary agreement by order of the Postmaster General.

*MONEY HELD BY CHARTERED BANKS

Mr. SPENCER:

1. What was the total amount of money held by the chartered banks on the 31st day of December, 1933: (a) in gold; (b) subsidiary coin; (c) dominion notes; (d) bank notes?

2. What was the amount of deposits on the same date: (a) on demand; (b) after notice?

Mr. RHODES: The information sought in this question is a matter of official record, and will be found in the monthly statement of the Canadian chartered banks, the last copy of which appeared in the Canada Gazette of January 27. I am sending a copy to my hon. friend.

UNEMPLOYMENT—DISRAELI, WOLFE COUNTY

Mr. LAFLECHE:

What were the amounts paid in connection with Unemployment Relief Act to the village and parish of Disraeli, Wolfe county, from 1930 to February 1, 1934?

Mr. GORDON: The following contributions have been made to the province of Quebec with respect to unemployment relief in the village and parish of Disraeli, Wolfe county: village of Disraeli, $5,997.96; parish of Disraeli, $1,436.41.

PICTOU, N.S., MARINE AGENT

Mr. DUFF:

1. Has any appointment been made to fill the office of agent of the Marine and Fisheries department at Pictou, Nova Scotia, since the death of J. R. Davies?

2. If not, is it intended to fill the vacancy?

3. If so, when?

Mr. DURANLEAU:

1. No.

2. No.

3. Answered by No. 2.

CREAM SEPARATORS—REVENUE COLLECTED

Mr. SPENCER:

What was the amount of revenue collected on cream separators by the Customs department during 1932 and 1933, respectively?

[Mr. Pouliot.]

Mr. MATTHEWS:

Customs duty collected on imports of cream separators entered for consumption in Canada during the fiscal years ended March 31st, 1932 and 1933:

	Fiscal year 1931-1932	Fiscal year 1932-1933
Steel Bowls for cream separators	Nil	$1,164 75
Cream separators and complete parts	Nil	34,819 50

UNEMPLOYMENT RELIEF—RESTIGOUCHE AND MADAWASKA

Mr. MICHAUD:

What amount was refunded or contributed by the Dominion of Canada, to the province of New Brunswick, for the cost of "unemployment relief" in the counties of Madawaska and Restigouche, for the months of September, October, and November, 1933, respectively?

Mr. GORDON:

Contributions made to the province of New Brunswick with respect to unemployment relief in the counties of Madawaska and Restigouche for the months of September, October and November, 1933, were as follows:

	Sept.	Oct.	Nov.
County of Madawaska			
Direct relief	$266 31	$ 375 59	$ 304 61
Public works	3,851 86	7,337 14	3,693 36
County of Restigouche			
Public works	5,464 63	2,004 57	Nil

IMMIGRATION TO CANADA

Mr. ROBERGE:

How many immigrants entered this country from 1930 to 1934?

Mr. GORDON:

Calendar year 1930	104,806
" " 1931	27,530
" " 1932	20,591
" " 1933	14,382

ST. LAWRENCE WATERWAY TREATY—TRANSLATION

Mr. BOUCHARD:

Referring to the declaration made by the government in sessional paper No. 137, tabled February 6, 1934, to the effect that:

"The treaty between Canada and the United States relative to the St. Lawrence waterways was translated, at the request of the Department of the Secretary of State, by one who was not then and is not in the public service of Canada, but his services were rendered gratuitously."

Under what authority was the following mention "Edition Française du Service de la Traduction Générale (Chambre des Communes)" printed on the cover page of the blue book containing the French translation of the St. Lawrence deep waterway treaty?

Mr. CAHAN:

The translation into the French language of the treaty respecting the St. Lawrence waterways, to which the Secretary of State referred, was made and published on July 18, 1932.

On September 29, 1932, a translation of the same treaty into the French language was received at the printing bureau from the translation service of the House of Commons, which was subsequently printed and published in the blue book mentioned.

PELAGIC SEALING TREATY

Mr. PLUNKETT:

1. Under the terms of the Pelagic sealing treaty of 1911, has Canada received any money or returns from Japan or Russia?
2. What was the total amount received from Japan under the terms of said treaty from 1911 to the last returns?
3. What is the total amount received from Russia under the terms of said treaty from 1911 to last returns?
4. On what date does the Pelagic sealing treaty between the United States, Canada, and Great Britain expire?

Mr. DURANLEAU:

1. Yes.
2. $11,805.17.
3. $5,308.97.
4. It remains in force until twelve months after written notice is given by one or more of the parties to all the others of desire to terminate it. It is also provided that following such notice, on the request of any one of the high contracting parties, a conference shall be held to consider, and if possible, agree, upon a further extension of the convention with such additions or modifications, if any, as may be found desirable.

ASHMONT, ALTA., MAIL DELIVERY

Mr. STEWART (Edmonton):

1. What was amount of contract of Roman Filyvich, of Ashmont, Alberta, for delivery of mail between Ashmont and Saddle lake?
2. What amount is now being paid to the present contractor?
3. Were tenders called for such mail contract, if so, who tendered and what is amount of each tender?

Mr. DUPRE (for Mr. Sauve):

1. Tenders were invited for a new contract and were due in the department on the 23rd June, 1933.

2. The following tenders were received: Ramon Filewich, Ashmont, $245; John Hackman, Ashmont, $280; W. J. Draper, Ashmont, $300; Zae Ingram, Cork, $301.60; Lisle A. Lawrence, Ashmont, $325; Walter Elliott, Ashmont, $350, reduced to $275; Percy W Pruden, Ashmont, $350; A. E. Adams, Ashmont, $400.

3. The contract was awarded to Mr. Ramon Filewich on the 28th June, 1933. Representations were subsequently received that Ramon Filewich was a communist and a report was secured from the Royal Canadian Mounted Police stating that he, as well as his father and brothers were active communists. Instructions were issued to cancel the contract on three months' notice and a new contract was authorized with Mr. Walter Elliott, a returned soldier, at $275 per annum.

DALHOUSIE, N.B., POST OFFICE

Mr. MICHAUD:

1. Is the government paying any rent for post office quarters at Dalhousie, New Brunswick?
2. If so, what monthly or yearly rent is being paid?
3. Has the government since September 1, 1930, purchased any land in the town of Dalhousie, for a post office site?
4. If so, when was such land purchased, from whom, what price was paid, and when?
5. Has a post office or a building of any kind been erected on such land purchased for a post office site?
6. If not, will a post office be built in the town of Dalhousie?
7. Has it been called to the attention of the government that the land purchased for a site for a public building in the town of Dalhousie, if any, is undesirably located?

Mr. STEWART (Leeds):

1. No.
2. Answered by No. 1.
3. Yes.
4. (a) August 14, 1931; (b) James Wallace; (c) $4,500.
5. No.
6. Matter under consideration.
7. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SECRETARIES OF EXECUTIVES

Mr. POULIOT:

1. In what departments is there a secretary of the executive?
2. What is the name of each secretary of the executive, the date of his appointment and his salary?

Mr. CAHAN: Return tabled herewith.

PENSIONS REDUCED OR CANCELLED

Mr. GARLAND (Bow River):

1. How many war pensioners have had their pensions reduced during the year 1933?
2. What is the total amount of the reduction?
3. How many war pensioners have had their pension completely cut off?

4. What is the total amount involved?
5. How many ex-service men in receipt of war veterans' allowance have had their allowance reduced or totally cut off during the year 1933?
6. What is the total amount involved?

Mr. MacLAREN: Return tabled herewith.

CANADIAN PACIFIC RAILWAY—OCEAN SERVICES

Mr. BOULANGER:

1. Does the Canadian Pacific Company receive any subsidies from the government of Canada in connection with its naval services in the Pacific ocean?
2. If so, what is the nature and what is the annual amount of these subsidies, for each service?
3. How much does this company receive from the government of Canada for the transportation of the Canadian mail for each of its navigation lines in the Pacific ocean?
4. Does this company give preference to the citizens of Canada in the employment of its officers, engineers, stokers, waiters, sailors, and other employees, of its navigation services in the Pacific ocean?
5. If not, what will be the attitude of the government in connection with the payment of the above mentioned subsidies?

Mr. CAHAN: Return tabled herewith.

MOTIONS FOR PAPERS

WHEAT AGREEMENT

Mr. MOTHERWELL:

For a copy of all correspondence, telegrams and other documents, that may have been received from any member of the Manitoba, Saskatchewan or Alberta governments, respectively, by any member of the Federal government, during the past twelve months, with respect to the international wheat agreement, or the advisability or otherwise of coming to such an agreement.

ST. SIMEON DE BONAVENTURE WHARF

Mr. MARCIL:

For a copy of pay list and accounts for material, in connection with work done at Augustin Poirier wharf at St. Simeon de Bonaventure, under supervision of Jean Bugold, in 1933.

CAIRO POSTAL CONGRESS

Mr. POULIOT

For a copy of all correspondence exchanged between the Post Office Department and the travelling agency or agencies who arranged the trip of the Canadian delegation to the postal congress at Cairo.

Mr. DUPRE (for Mr. Sauve): In reference to this motion, I am informed that there is no correspondence on this subject on the files of the Post Office Department.

Mr. SPEAKER: I ask the hon. member to withdraw the motion.

[Mr. E. J. Garland.]

Mr. POULIOT: I cannot withdraw anything. If you wish to strike it off, it is all right, but I cannot withdraw it.

Mr. SPEAKER: No. 5 will be dropped.

Mr. POULIOT:

For a copy of all correspondence exchanged between the Post Office Department and different newspapers, in connection with the sending of various journals to the members of the Canadian delegation to the postal congress at Cairo during their trip overseas.

Mr. SPEAKER: In my opinion this is a frivolous motion, and cannot properly be moved in this House of Commons. I will order it to be stricken off.

TRANSLATION SERVICES

Mr. POULIOT:

For a copy of all correspondence, summaries, files, suggestions, recommendations made by the Clerk of the House of Commons to the members of government and to the members of the Civil Service Commission, in connection with the translation in the federal administration, since 1930.

Mr. BENNETT: This would be an improper return. There are no communications with the clerk of the house. He has sometimes been asked questions from time to time with respect to matters of this kind, such as translation, but there is no correspondence with him. What there is is in the nature of privileged communications, between one office and another, which the government should not produce.

Mr. SPEAKER. No. 7 is not in order. It will be dropped.

ST. JEAN-DE-MATHA, QUE., POSTMASTER

Mr. FERLAND:

For a copy of all correspondence, telegrams, inquiries, affidavits and official reports, in the possession of the Post Office Department, in connection with the resignation of notary Amédée Dugas as postmaster of St. Jean-de-Matha in the county of Joliette, and the appointment of his successor Léopold Marcil, since the month of August, 1930.

WEST BACCARO, N.S., BREAKWATER

Mr. MACKENZIE (Vancouver), for Mr. Ralston:

For a copy of all pay lists, bills, vouchers and other documents in respect of work done, material supplied or money paid out, in connection with the work during 1933 and 1934, on the breakwater at West Baccaro, Shelburne county, Nova Scotia, with a statement showing the work actually done in 1933 and 1934, and the sum expended and/or incurred therefor up to the time the work stopped on or about January 20, 1934, and the work remaining to be done and the estimated cost thereof.

PORT LA TOUR, N.S., BREAKWATER

Mr. MACKENZIE (Vancouver), for Mr. Ralston:

For a copy of all pay lists, bills, vouchers and other documents in respect of work done, material supplied or money paid out, in connection with the work done during 1933 on the breakwater at Port La Tour, Shelburne county, Nova Scotia, with a statement showing the work actually done in 1933, and the sum expended and/or incurred therefor, and the work remaining to be done and the estimated cost thereof.

CANADIAN LEGATION AT TOKYO

Mr. MACKENZIE (Vancouver), for Mr. Casgrain:

For a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any of its officers and the Minister Plenipotentiary in Tokyo, regarding the construction of a public building for the Canadian Legation at Tokyo, as well as a copy of the order in council authorizing the construction of said building, plans, specifications and contracts, and any documents in possession of the government having any reference to the construction of said public building for the Canadian Legation at Tokyo.

OLD AGE PENSIONS, PRINCE EDWARD ISLAND

Mr. MacLEAN:

For a copy of all correspondence which passed between the government of Prince Edward Island and the federal government, in connection with old age pensions, including a copy of the agreement entered into by the province and the federal government with respect to this matter.

RIVIERE DES ILOTS—MATERIALS USED

Mr. BRASSET:

(1) For a copy of all pay lists and statements of stone and wood used on work done at la rivière des Ilots, Gaspé county, for the year 1932-33, Foreman Alphonse Boucher; (2) for a copy of all pay lists in connection with work done by the Public Works department at la rivière des Ilots, Gaspé county, for the year 1933, Foreman Baptiste Grenier; (3) for a copy of all pay lists and statements showing amount of stone and wood used in connection with work done by the Public Works department at la rivière des Ilots, Gaspé county, for the year 1933, Foreman B. Grenier.

WYCOCOMAGH, N.S., MAIL ROUTE

Mr. DUFF:

For a copy of all correspondence, documents, tenders, and any other papers, on file in the Post Office Department, for the years 1932 and 1933, concerning the calling for new tenders, or the awarding of same, with the names of the tenderers and the amounts of the tenders, for the mail route between Wycocomagh and South West Margaree, Nova Scotia.

CAPE BAULD, N.B., BREAKWATER

Mr. VENIOT:

For a copy of pay rolls, statement of material supplied, showing the names of persons supplying such material and prices paid for same, in connection with work done in 1933 on the Cape Bauld breakwater, Westmorland county, New Brunswick.

BIMETALLIC CURRENCY

MOTION PROPOSING ISSUANCE OF PAPER MONEY AGAINST SILVER AT FIXED RATIO TO GOLD

Mr. THOMAS REID (New Westminster) moved:

Whereas, goods or services between nations or people can only be paid for either by other goods or services, or by some unit of value acceptable to those desiring such goods or services, and which unit of value has for ages been the precious metals, silver and gold;

And whereas, for centuries past, silver was the only precious metal used, both as currency and as the unit of value for the interchange of goods and services;

And whereas, latterly, gold was alone used by the leading nations of the world as the one unit of value for the exchange of goods and services and for the issuing of paper currency;

And whereas, the adoption of trade barriers and restrictions by many nations coupled with the very limited amount of gold available in the world for the interchange of goods and services has in large measure contributed to, if not brought about the unemployment of millions of people with its consequent untold misery and suffering;

And whereas, due to economic and existing monetary conditions many thousands of Canadian citizens have had to be sustained or given employment by the state;

And whereas, Canada has been borrowing large sums to provide for the relief of the unemployed and destitute;

And whereas, the issuing of currency in Canada has been based on certain coverage of gold, thereby restricting the amount of currency issued;

Therefore be it resolved,—That, in the opinion of this house, the government take immediate steps to adopt silver in addition to that of gold for the issuance of currency either in the form of paper certificates or as coinage, and that silver be again recognized and accepted as legal tender by the Dominion of Canada at a fixed ratio to that of gold.

He said: Mr. Speaker, in offering this resolution to the house I should like at the outset to say that I am doing so, not with the idea that its adoption will bring any panacea for the impasse, economic and monetary, existing throughout the world to-day, but rather that it would go a long way towards the stabilization of currency which I think will be generally agreed is more necessary to-day than at any other time in our history. To put into effect the proposal contained in the resolution would at least be a step in the right direction.

I realize, of course, that the worshippers of gold, those who advocate the single standard of gold, are in the majority and that those who have advocated and are advocating that

silver be used in addition to gold are much fewer in number. However, their numbers are gradually growing, not only in the United States but in all other countries as well. In this country we have quite a few advocates of silver. Some hon. members of this house, including the hon. Secretary of State (Mr. Cahan), and the hon. Minister of Trade and Commerce (Mr. Stevens), have at various times advocated the rehabilitation of silver. The Right Hon. Arthur Meighen, as far back as 1931, also made this statement:

> I can assure you that I am more and more convinced, as time goes on, that the fundamental cause of our present difficulty is really monetary, and that it is the penalty for a long-pursued and very stupid policy of unduly forcing the gold standard and driving silver—the medium of exchange of half the world—into such low price levels as to paralyze the buying powers of hundreds of millions of humanity. There seems to be no leadership in the present situation at all, and it will have to soon develop or troubles political will follow on troubles commercial.

There is also another prominent advocate of silver in the person of Father Coughlin of the United States, who according to press dispatches, has, it is estimated, more than a million followers who believe that silver should be recognized and accepted as a legal base with gold.

In the limited time at my disposal I cannot go very fully into all the "whereases" of my resolution, but I think it is a fair statement that each "whereas" clause is a statement of fact, and I believe of actual history.

Take the first "whereas":

> Whereas, goods or services between nations or people can only be paid for either by other goods or services, or by some unit of value acceptable to those desiring such goods or services, and which unit of value has for ages been the precious metals, silver and gold;

I do not think any hon. member will disagree with that statement. Then I come to the second clause:

> And whereas, for centuries past, silver was the only precious metal used, both as currency and as the unit of value for the interchange of goods and services;

In regard to that I think everyone in the house who has given the matter even a casual examination must realize that in the early stages of mankind's history barter, the exchange of goods for goods, was the first medium of exchange. But early in the history of the world barter was discarded, and man adopted one or other of the precious metals, particularly silver. The history of silver goes away back to Bible times. In Genesis, chapter 23, it is recorded that Abraham bought a field for burying his

people, and in the sixteenth verse of that chapter we are told that he paid four hundred shekels of silver in current money for that field. That is going a long way back and I mention it to show that silver has been used from the very earliest times. Right on down through the ages, through Anglo-Saxon times and down to the eighteenth century, silver has been used. It is true that gold was also used, but silver was the chief medium of exchange and it had its price to gold; in other words, it was a case of gold to silver, not silver to gold. In fact, the pound sterling was based on the price of one pound of silver. One pound of silver was recognized as one pound sterling, and hence we have the term sterling silver.

We come to the year 1717, when Great Britain was the first nation to adopt what we call to-day bimetallism. In that year Great Britain added gold as primary currency to silver. In 1816 a change was however made. Great Britain for the first time in its history, and for the first time in the history of the world, I believe, went on the gold standard. That change was made not because silver had failed or was inadequate but for this reason, as given by those who have delved into such matters: The bankers, especially the Rothschilds, controlled the debt after the Napoleonic wars and so benefited by the change to gold. At that time Great Britain was starting in upon her industrial era, and she could therefore purchase more goods abroad in silver countries by purchasing on the single standard of gold. After the act of 1816 she had what is known as a bimetallic standard.

In 1870, after the Franco-Prussian war, Germany compelled France to pay her debts in gold, Germany reaping thereby a great benefit by adopting gold as the single standard.

In 1873 we have the United States discontinuing her silver currency and going on to the gold standard.

I have touched very briefly on these periods, Mr. Speaker, as they are outstanding in any discussion of this subject. I would ask the house to take note that those three periods I have mentioned, 1816, 1870 and 1873, when the bankers of the world compelled the different countries to go on the gold standard and discard silver as the prime metal, were periods of great distress.

We come along to the year 1920, in our own times. Gold has always been an obsession with the Bank of England. In 1920 international bankers met at Berne and there decided to go on gold and to discard silver

entirely. As a matter of fact, Germany in that year was offered gold by international bankers so that she also could go on the gold standard. The price of silver in that year was a little over one dollar an ounce. Gold was at a discount. From 1920-1921 the demonetization of silver started. Great Britain I believe was the first country to demonetize silver, although there is some doubt regarding that, some authorities stating that the United States first started it by demonetizing her silver. These authorities say that Great Britain was the first. Great Britain and the United States, either jointly or following one another, started to debase or demonetize their silver coinage and it was not long before other countries of the world followed suit. In 1925 Great Britain purchased from the United States 260,000,000 silver dollars. These were taken to the old country and melted down. There were added 200,000,000 ounces of copper and from this mixture was fabricated a counterfeit or false coin containing 50 per cent silver and 50 per cent copper. The purer silver coins had been gradually called in and these were melted down and the resultant silver dumped on the Chinese market. It was during this year that the break took place in the price of silver.

Great Britain then went a little further. Two years later she issued a makeshift paper currency for the 350,000,000 people of India. She melted down one billion rupees and issued one billion rupees in paper. When this amount of silver was thrown on the world's markets the price broke to the lowest it had even been. Not only did Great Britain do this but she compelled the Indian government to place a tax of 11 cents per ounce against silver in an effort to stop an influx of silver into that country. I should like to quote from a United States Department of Commerce bulletin, issued in 1933 and referring to a committee which investigated this matter of debasement. One paragraph reads as follows:

> According to the sixty-first annual report of the deputy master and comptroller of the Royal Mint for 1930, the weight of the silver coinage withdrawn during the ten years was about 6,000 tons. One can estimate the approximate weight of silver in this amount, which would be about 5,550 tons, or 181,258,560 ounces. The weight of the new coins minted is given in the above-mentioned report as about 4,800 tons. Estimating from this figure, it would appear that the silver content, which would be about 2,400 tons, represents about 78,382,080 ounces. Thus there appears to have been, during the ten years, a surplus balance of about 3,150 tons, or about 102,876,480 ounces.

It is estimated that in the world to-day there is over $6,000,000,000 of debased silver coinage. Like other countries, Canada followed the lead of Great Britain. It might be interesting to the house to know that until 1920 the silver coins issued by Canada were what is known as ·925 fine or, in other words, 9¼ tenths pure. In 1920 a change was made and from then on the silver content was reduced to ·800 which is 8 tenths fine. To-day an ounce of silver minted into Canadian coins produces $1.60 of coinage. Taking silver as being worth forty cents an ounce, for forty cents worth of silver the government issues $1.60 in Canadian coins. I give this illustration as I want to put before the house a clear picture of this matter and endeavour if possible to make my resolution more plain.

The short time at my disposal does not permit me to give the full details of the manipulations of the bankers but in these few remarks I hope I have shown that the monetary system now existing in the world has not been brought about by chance but by straight manipulation by the bankers of the world. It is the worship of the golden calf, and each monetary manipulation has been followed by long periods of low prices, distress and extreme poverty. Clause 4 of the resolution reads:

> And whereas, the adoption of trade barriers and restrictions by many nations coupled with the very limited amount of gold available in the world for the interchange of goods and services has in large measure contributed to, if not brought about the unemployment of millions of people with its consequent untold misery and suffering;

I do not think any hon. member will deny the assertion that the adoption of trade barriers and restrictions by many nations coupled with the very limited amount of gold has in a large measure brought about the economic distress which prevails throughout the entire world. I should like to give a few figures with regard to the limitation of gold. It is estimated that in the world to-day there is a total of $12,000,000,000 in gold. This is held by practically three nations, the United States, France and Great Britain; 250,000,000 people own practically all the gold while 1,600,000,000 people have none. As someone has said, this is just like a poker game where all the chips are held by three players. The world's current debt is estimated at $750,000,000,000 which is a ratio of seventy-five to one to the gold held. The interest on this debt at five per cent amounts to $37,500,000,000. The debt of the world to the United States alone is $12,500,000,000. Why delude ourselves about the so-called gold standard when forty nations have abandoned it? Can anyone favour a return of that standard without a redistribution of gold? A few years ago the

trade of the world was estimated at $68,000,000,000 although it has now dropped to somethink like $28,000,000,000. Trade cannot be carried on against the present tariff barriers which exist plus the shortage which there now is of the one unit of value in use to-day, namely, gold. It has been said that modern engineers cannot conceive of the methods by which the pyramids were erected, but I think we have surpassed even that great feat. We are attempting to balance a pyramid of debt and trade on its apex instead of on its base. I do not think there is any doubt that trade restrictions and lack of gold have contributed to the unemployment and misery which we now have. Clause 5 reads:

> And whereas, due to economic and existing monetary conditions many thousands of Canadian citizens have had to be sustained or given employment by the state;

I need hardly dwell on this phase of the matter because it has been brought out amply that there is in Canada over half a million people who are unemployed and well over a million who are being kept by the state. Clause 6 reads:

> And whereas, Canada has been borrowing large sums to provide for the relief of the unemployed and destitute;

I think it was the Prime Minister (Mr. Bennett) who stated that $173,000,000 has been expended by the dominion government on relief. A return was tabled the other day by the Minister of Finance (Mr. Rhodes) in which it is stated that the province of Manitoba owes over $6,000,000, the province of British Columbia over $7,000,000 and the province of Alberta over $8,000,000, all borrowed for the relief of unemployment or the borrowings made necessary by the lack of employment.

Clause 7 reads:

> And whereas the issuing of currency in Canada has been based on certain coverage of gold, thereby restricting the amount of currency issued—

I do not think anyone will refute that assertion, nor is it necessary for me to say a great deal regarding it. I am sure that everyone has seen the figures in this connection and knows that the total amount of gold in the country is roughly $70,000,000, whereas the notes outstanding against it amount to $184,427,058, or a coverage of gold of 40 per cent. In fact, I think the banking and commerce committee puts the coverage at exactly 38 per cent.

I come now to the resolution itself, which I will read:

> That, in the opinion of this house, the government take immediate steps to adopt silver in addition to that of gold for the issuance of currency either in the form of paper certificates or as coinage, and that silver be again recognized and accepted as legal tender by the Dominion of Canada at a fixed ratio to that of gold.

In dealing with this proposed resolution I wish to make my position clear with regard to the suggestion that Canada should adopt silver. Personally I am one of those who fear uncontrolled inflation. Those who have read history must realize that no nation can turn on the printing presses and survive, at least without great distress to the people, and especially the common people. I realize that as a cure the printing press cannot be turned on. But if the world must use precious metals I maintain that we should have silver in addition to gold. Certain efforts are being made in the great country to the south of us in connection with gold, but I believe that gold alone will not raise prices, and what is just as desirable to-day is the stabilization of currency. I claim that both these are impossible without the use of silver and especially in order to retain confidence and stability.

Before proceeding very far with the resolution itself I want to dicuss arguments that are sometimes made against the use of silver. One argument frequently heard is that if a country adopted silver as currency that country would be flooded with silver. That this is unfounded and grossly exaggerated I will show by certain figures which I am going to put on Hansard relative to the amount of silver in some countries of the world to-day. Some historians, especially those who have gone into the question of silver, have totalled up the amount produced in the world since the fourteenth century and it is estimated that a total of 14 billion ounces of silver has been produced. But the average world production of silver has run, between the years 1914 and 1930, at around 250 million ounces. In 1914 it was 178,331,433 ounces and in 1930 it was 245,788,030. But taking the average for a span of years it is safe to say that the average world production runs between 225 million and 250 million ounces of silver. The ratio has often been quoted as 16 to 1; this is the proportion which the total world production of silver bears to that of gold. Over long periods, taking the amount of gold that has been produced in the world each year in comparison with the amount of silver produced, the ratio has been all the way from 10 to 18 per cent; but over an average of years the output of silver has had a ratio to gold of 16 to 1. That explains why rulers in days gone by adopted that ratio, and that is where we have got it.

Canada produces a considerable amount of silver, and in passing I might give the figures for 1932-33. In 1932 we produced 18,347,907 ounces and last year we produced 15,360,764 ounces; and it is carefully estimated that 66 per cent of the silver produced in Canada comes from copper, lead and zinc. Now, regarding the ordinary consumption, if one can use that word with respect to silver, that has also been carefully compiled by those who have given the subject consideration, and it is found that the consumption of silver by various countries has averaged between 200 million and 250 million ounces. But what has brought about the flood of silver during the past few years has been the fact that many countries have not only debased their coinage but have sold the resulting fine silver in the world's markets, thereby bringing down the price. Not only has the throwing of this silver on the market had its effect on price, but there was also the fact that governments were persisting in this practice, and there was no telling how long they would continue to do so. That also had its effect on the price. With respect to the debasement of coinage, it has been estimated by some authorities that Great Britain alone, in ten years, had thrown upon the world's markets 541 million ounces of fine silver—silver taken from her coinage, not silver bought from mines.

During the past number of years, it may interest the house to know, and especially since 1920, there has been an average amount of 200 million ounces of silver thrown on the markets of the world by various countries, all the result of the melting-up of silver coinage. That, on top of world mine production, has demoralized the whole industry and, as I have stated, brought down the price of silver to the lowest point it has been in many years.

Another argument in regard to silver has been that the silver mines would benefit. One man said to me, "You must be boosting for the silver mines." I said to him, "My friend, you have not said anything about the gold mines, though they have had a little Klondyke to themselves this past year; for during 1933 they received over $23,000,000 extra for the gold they produced." I am speaking of course of gold produced in Canada. I commented on this not many days ago, and I repeat to-day, that the government should have taken this profit instead of allowing the mine owners to get away with $23,000,000 extra, because I have figures to show that some mines in Canada are producing gold around $15 an ounce, and with the price of gold at $20.67 they were making a fair return on their investment. But when gold went up to $34 and they were allowed to ship it out of this country at that figure they made fabulous fortunes out of gold in one year's transactions. As I have stated, the figures given by the department show the extra money obtained as some $23,380,000. Those profits I believe, during these times especially, should have gone into the exchequer of this country. Others argue that metals are useless. I realize that the ideal system would be one in which the unit of value would remain constant, that a dollar to-day would have the same purchasing value as five or ten years hence. That is something that has been sought for many centuries, but has not yet been attained. I realize also that paper money is not sound money. People still have confidence in metallic coinage. I believe it was the Prime Minister who pointed out in a speech here last year that until the majority of people of the world would confidently accept paper money from other nations, the precious metals, especially gold, if not silver, will have to be used. But one must realize that sixty per cent of the population of the world, 1,600,000,000 people, still use silver; in countries like China, where few banks exist and there it little or no paper money in circulation, every money transaction is carried out with silver or metallic coinage. In India, with its teeming millions, where wealth is reckoned in silver, where dowries given on the marriage of daughters are paid in silver, where money is hoarded as the wealth of the people whether silver is dear or cheap, the accumulated hoards of the people are in the form of silver the value of which is greatly affected by changing values. I am not dealing with a theory; if I were I would probably advocate doing away with all metallic backing for currency, but I realize, as most hon. members do, that most civilized countries—I will not say all civilized, but countries like Great Britain, the United Sates and our own—have built up a monetary system whereby paper has become the instrument of transactions, and in effect the money of the nation.

A change in currency values affects the lives of all, but this power is not held by the government to-day, the money changers own and control the yardstick and can contract or stretch it as they see fit, making the changes to suit themselves, and so in large measure they control the economic life of the people. It has been the bankers and financiers of the world who have forced all countries on to the single standard of gold. As I will endeavour to show, they robbed over 1,600,000,000 people when they forced them to use gold alone as the yardstick or measure of value. Take for instance China; in 1929 the tael was worth.

I believe, 64 cents. To-day it is only worth 34 cents in gold, because the bankers say; We do not want your silver, we are all on the gold standard now—or they said so until recently. So the value of China's silver coinage fell, with the result that China and countries on the silver standard were able to buy much less, as they had to put up so much more silver to buy from countries on the gold standard.

The other night I asked the Minister of Trade and Commerce a question regarding wheat going to China from Australia. I believe the reason Australia has done this greater business in wheat with China is not that Australian wheat is any better than ours for the purposes of the Chinese, but it is due entirely to the exchange factor. Australian currency has a lower exchange value than ours. I will place on Hansard some figures in support of that contention, just giving round figures. In 1929 we imported from Australia over $3,000,000 worth of goods. In 1933 we were importing a little more; it had gone up to over $5,000,000, but our exports to Australia in 1929 were over $19,000,000, whereas last year they had dropped to just a little over $10,000,000 worth. Take Canada's trade with China and see how the figures compare. In 1929 we imported from China almost $3,000,000 worth of goods. In 1933 we were importing a little less, but the startling figures are those in regard to our exports to China. In 1929 they were over $27,000,000, whereas last year we exported to that country only a trifle over $6,500,000. Looking at Australia's trade with China you find that it has greatly increased in the last few years, due to the fact that the currency of Australia was lower even than that of the old country, and also the fact that China, being on a silver basis, could therefore purchase more in Australia than she could in Canada.

One striking fact that I think should be placed on record is that our loss of trade with China is not entirely due to poverty there, as in the case of our own countries, for internally there has been an industrial boom in China during the past three years. The loss of trade between Canada and China has been due not to the poverty of the Chinese but to the fact that we in this country have refused to accept their standard of value, which is silver, and are demanding that they use ours, namely gold.

There are one or two authorities that I would like to quote in support of this resolution, or the idea that countries should adopt silver as a currency basis. The first is Sir George Paish, the distinguished English economist, who in his recent very interesting and very illuminating book, The Way to Recovery, says:

> In considering the possibilities of trade development in China, one has to realize that one is dealing with the second largest country in the world with an area of four millions of square miles and with a population of no less than four hundred millions of souls (approximately one-fifth of the world's entire population) which is considerably greater than India's, two and a half times greater than Russia's and nearly three and a half times greater than America's. This immense population at present is supplied with less than 8,000 miles of railway and with very few good roads suitable for motor traffic. Were China to build the 100,000 miles of railway contemplated and designed by Sun Yat Sen, and were she to be assisted to accomplish this work in the not distant future by means of loans supplied from abroad, a great stimulus would be given, both to Chinese trade and to the trade of all countries.

As my time is short I shall have to shorten the quotation; I want to get to his last remark:

> Furthermore, more active trade in China and the influx of large amounts of foreign capital for many years would necessitate a much greater supply of silver currency, and by raising the price of silver would enhance the value of China's present immense stock of silver taels. In this way there would be created a renewed spirit of confidence in China and her obligations could be met with much greater ease than is now possible with the price of silver and the value of the tael at the present abnormally and disastrously low levels.

Again take Mr. Kann's report—I haven't time to read it all, but he states in his report of last year:

> The sale by governments had a doubly harmful consequence: first, because large extra quantities of silver were thrown on the market, irrespective of whether, when and where these were wanted; and second, the baneful psychological effect caused by the uncertainty, or rather the certainty, of more coming, in the near future. This has been a huge black cloud overshadowing the silver market like the angel of death.

Then I have another authority, Mr. Montagu Norman, governor, and Sir Charles Addis, a member of the board, of the Bank of England, and certainly among the greatest authorities in the world to-day on currency questions, who in their joint report following an inquiry authorized by the British government in 1931, said:

> I think that one has to bear in mind the interaction between gold and silver prices. There is a reaction upon gold when an extreme fall or rise takes place in the value of silver, which is none the less serious, because it is indirect and not very apparent on the surface. The consequential changes in the price generally and in trade conditions which would be produced, the disturbance to the world's peace

and confidence, the interference with the long established social habits of the people of India in the use of silver, the shock to the reliance of a great country like China upon silver as a medium of currency and a common store of value could not fail to have important effects upon the gold prices of countries in Europe and, indeed, in America.

Then we had the British economic mission to the far east appointed March 18, 1930, to inquire into the present condition of British trade with China and Japan and to report what action should be taken to develop and increase that trade. Mr. Ernest Thompson was appointed chairman of the mission, which left London in September, 1930, and returned in April of 1931. During that time they made an exhaustive investigation of the trade situation in both Japan and China at a cost of some $300,000.

The ACTING SPEAKER (Mr. Gagnon): The hon. member has spoken for forty minutes.

Mr. REID: I am sorry. I have not come to the gist of my resolution, but I shall have to abide by the rules of the house.

Some hon. MEMBERS: Go ahead.

Mr. REID: If it is the wish of the house I will take up my resolution.

Mr. RHODES: I would have no objection, by unanimous consent, though I must say that I would like to be not too crowded in the time allotted to me for reply before six o'clock.

Mr. REID: I will take only a few moments. Speaking of the silver question, this mission reported:

> There exists in China to-day one outstanding problem which faces all nations desirous of selling their goods in the China market. The deplorably low silver values and the consequently much reduced buying of the vast populace are factors contributing to restrict the increase of imports into China from foreign countries. Finding it increasingly difficult to buy (for payment in gold) goods from abroad, China will be driven to discover ways and means of producing her own requirements. Should she continue to remain on a greatly depreciated silver basis for some years it is obvious that she will of necessity not only quickly enlarge her industrial capacity and manufacture goods now made in foreign countries but will be able to export many of such goods to markets abroad now being served by Great Britain.

Might I say in passing, Mr. Speaker, that this has actually taken place. A great industrial movement is under way in China, financed by outside capital, and they are determined to produce much of the goods which hitherto they have purchased abroad. That will be quite a factor in the trade of the world in the not too far distant future.

Now, Mr. Speaker, I come to the silver agreement itself and before concluding I will touch lightly on the central bank. I am glad that at last Canada has joined in what I would call the first step towards the recognition of silver, and in that regard might I just read paragraph (b) of the agreement which was signed by the Minister of Finance on behalf of Canada:

> The governments, parties to this conference, shall refrain from new legislative measures which would entail further debasing of their silver coinage below a fineness of 800/1000.

I am glad that clause has been adopted, but just the same I think it would be far better to give the people an honest coin instead of defrauding them with a base coin which to-day is only 80 per cent pure. I suppose the minister will tell us why this change was made in 1921, although I know he was not a member of the government in that year. Then in paragraph (c) it is proposed to substitute silver coins for low paper currency. Perhaps it is too early to ask the minister what the government intend to do, but I hope they will mint silver dollars. I know the statement will be made that people will not carry those large cartwheels around, but in these days I think people would be very glad to pack around a few cartwheels of silver, because they are unable to get the paper money. If they are going to substitute silver coins for low paper currency I hope they will do away with the twenty-five cent bill. If ever anything was foolishly put out as currency it was the twenty-five cent paper bill; that was more foolish than it would be to mint silver dollars.

I am glad also that India and Spain have signed this agreement to limit the sale of silver, because limitation of the sale by India and Spain will have quite an effect in stabilizing the price of silver, and so raising it. Canada is the third largest producer, but we are only taking about ten per cent of the output of our mines. I know some hon. members get a little wrathy when we say they should follow the lead of President Roosevelt, but may I point out that the United States is purchasing practically the whole output of the mines for 1933. Under the agreement the 35,000,000 ounces is allocated as follows:

	Ounces
United States	24,421,410
Canada	1,671,862
Australia	652,355
Mexico	7,159,108
Peru	1,095,325

Personally I should have liked to have Canada go further than that. Not only is the United States purchasing all the gold possible.

as we see by the press, but she is endeavouring to purchase all the silver as well, which is very commendable indeed. The United States has agreed also to accept up to $100,000,000 in silver from those countries owing her money, and I think that is very commendable also. If that is a forerunner of what is going to happen, in my opinion silver must rise in price under that stimulus, and I think this government has been lax in not buying more silver, because in the event of the price rising it may cost the government more. Perhaps I am refuting in advance the argument I am about to make, that it will cost the government nothing to buy the silver, but in view of the fact that we are the third largest producer in the world I think the government should have gone much further and accepted at least fifty per cent of the production of the mines in Canada.

To-day there are some thirteen countries using silver, and practically all those countries issue silver certificates. I see nothing in the new legislation setting up the central bank—and perhaps the minister will correct me if I am wrong—with regard to the issuing of silver certificates. I hope the government will take that matter under advisement; I should like to see silver certificates issued. I realize that it is hard to determine the ratio, in view of the fact that probably gold has not reached its highest point as yet, but to-day currencies cannot be stabilized unless silver is used. I am going to put on Hansard a few figures to show what it would cost Canada in regard to silver—

Mr. RHODES: You are not allowing me forty minutes.

Mr. REID: In courtesy to my hon. friend I think I will reserve the rest of my remarks until later.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I hope my hon. friend will appreciate that naturally I desire to conclude anything I have to say before six o'clock rather than to break it into two parts. I hope he realizes that while I should like to extend him the courtesy of a longer period, he has had six minutes additional, and in the circumstances perhaps he will not object.

In the second recital of his resolution the hon. member states:

> And whereas for centuries past, silver was the only precious metal used, both as currency and as the unit of value for the interchange of goods and services.

I call the attention of the house to the expression "for centuries past, silver was the only precious metal used." In that statement he has hardly conformed to the past, because as a matter of fact gold coins were in existence in the days of the ancient Greeks and Romans; in the year 1660 there was gold coinage in Great Britain, and there has been gold coinage from that time down to the present. It is true that prior to that for a period, particularly in the dark ages, silver was the predominant metal, but dating from the year 1660 gold was in the ascendant, until at the beginning of the nineteenth century it had entirely excluded silver as a basis of the monetary standard, and left it to be used as subsidiary coinage. That condition obtained down to the period when, for reasons which one need not discuss at this time, Great Britain in the year 1931 was driven off the gold standard.

In the fourth recital of his resolution the hon. member uses the following expression:

> Coupled with the very limited amount of gold available in the world for the interchange of goods and services.

I have no doubt the hon. member has inadvertently fallen into the same error under which so many seem to labour, namely that a shortage of gold was responsible in part at least for the debacle which overtook the world in the year 1929. As a matter of fact, Mr. Speaker, that statement cannot be substantiated. The most that can be said is that there was a maldistribution of gold, which is an entirely different thing from saying that there was not sufficient gold. In that connection may I point out that the gold delegation of the League of Nations went into this matter very thoroughly in the year 1932, and in the preliminary data prepared for the meeting of that delegation there was some suggestion in keeping with the idea under which the hon. member for New Westminster (Mr. Reid) seems to be labouring, namely that there is a shortage of world gold. I quote from page 32 of the League of Nations report for the year 1932.

> Before proceeding further in our analysis of the problem of gold supply we wish at this point to record our opinion that the world's total stock of monetary gold, apart from any considerations as to its distribution among different countries, has at all times in recent years been adequate to support the credit structure legitimately required by world trade, and that the rapid decline in prices which began in 1929 cannot be attributed to any deficiency in the gold supply considered in this sense. During the six years from the end of 1925 to the end of 1931 the world's central gold reserves increased from about $9,150,000,000 to about $11,350,000,000, or at an average rate of 3⅝ per cent per annum. Since this rate is not lower than the generally accepted normal rate of growth of production and trade in the

gold using countries as a whole, and since, in addition, certain economies were made in the use of gold, at any rate in the earlier part of the period considered, there seems to be little ground for believing that the total supplies of gold available for monetary use have not been sufficient to meet all reasonable demands.

In that regard may I point out that I do not think it can be established there was not ample credit in 1929. As a matter of fact I think we may very well argue that one of our difficulties at that time was that there was too much credit, and that being so, that credit was based, so far as gold is a base for credit, upon the then existing supply of gold in the world.

What do we find since that time? In 1930, 20,160,355 ounces of gold were produced which, not at $35 an ounce, but at the old value of $20.67 per ounce, represented an increase in the monetary gold of that year of $416,751,523. In 1931 there was the largest amount of gold produced up to that time in a single year, in the history of the world, so far as history is available on the point. In that year the production was 21,300,000 ounces, at a value of $440,200,000. In 1932 there was a still further increase to 24,163,000 ounces of gold, at a value of $499,444,000. In 1933, on an estimated figure, the amount of production was 24,282,000 ounces, at a total value of $501,908,940, or a total production in those four years of $1,858,309,463, and these figures represent a yearly increase in the world's gold supply at a percentage greater than was ever known before.

Mr. REID: What year is that?

Mr. RHODES: The last year for which there is an estimated figure is the year 1933.

Mr. McINTOSH: Has the minister an estimate for 1934?

Mr. RHODES: No, it is too early yet to have that figure, but I would anticipate it would be still larger than for the year 1933. It is true that some of this gold will be required for manufacturing purposes, but allowing a generous figure of $200,000,000 for that purpose it will be seen that over $1,000,000,000 have been added to the world's store of monetary gold during those four years.

Mr. YOUNG: Has the minister any figure as to the amount of gold melted down and used for monetary purposes?

Mr. RHODES: Yes. As a matter of fact, the question asked by the hon. member for Weyburn raises the age old question which gave rise to the maxim that men dig gold in Africa and bury it in India, because as a matter of fact down through the centuries, until England went off the gold standard in 1931, that very condition did obtain, and millions upon millions of dollars worth of gold were poured into India to remain there, some to be buried, some to go into the form of ornaments and some to be used in the arts. But, as a matter of fact, that flow into India ceased. In fact, in September 1931 there was an outflow, with the result that the bullion brokers in London estimate that from September, 1931, to the end of 1933 approximately $565,000,000 worth of gold has come out of India. That is the valuation placed upon the basis of $20.67 per ounce and not upon the world price.

So far as the value of gold is concerned I might make reference to the fact that wholesale prices are in a far different status from what they were in 1929. Although I do not think for the purpose of my argument it is necessary to enter into that matter, it is interesting to note, taking the year 1913 as an average of one hundred, that in the year 1929 wholesale prices stood at 135; in 1930 at 114; in 1931; at 92; in 1932 at 81; in 1933 at 81. So it will be seen that while there is not an absolute equation between the value of gold and commodity prices, because the reserves against bank deposits and liabilities have a bearing on the case so that the ratio will not be exact, nevertheless it is certainly fair to say that a given amount of gold will go much further in the purchase of commodities on the lower commodity price scale.

So I would say this, that not only has there been a normal world increase in the supply of gold, but a greatly accelerated increase, and there are four factors which should be considered by my hon. friend from New Westminster in regard to the amount of gold in the world. First, there is the question of increased production. Second, there is the return for currency use of gold hitherto hoarded or stored away in India. Third, there is the question of the revaluation of gold, which has had the effect so far as the United States is concerned, when it increased the price of gold from $20.67 to $35 per ounce, of increasing its value by nearly 70 per cent, or, to be exact, 69·3 per cent. Fourth, there is the factor that while hitherto the accepted amount of gold as an appropriate basis for currency has been in the neighbourhood of 40 per cent, it will be within the recollection of the house that at the recent world monetary and economic conference it was agreed that 25 per cent would be sufficient. Upon that point perhaps I should read from the appendix to the report of the world monetary and economic confer-

ence, where at page 13 are set out the resolutions that were adopted, and I find these:

(c) That under modern conditions monetary gold is required not for internal circulation but as a reserve against central bank liabilities and primarily to meet external demands for payments caused by some disequilibrium on the foreign account. It is consequently undesirable to put gold coins or gold certificates into internal circulation.

(d) That in order to improve the working of a future gold standard greater elasticity should be given to central bank legal cover provisions; for instance, in so far as the system of percentage gold cover is applied a minimum ratio of not more than twenty-five per cent should be considered as sufficient; similar elasticity should be achieved by appropriate measures where other systems are applied. However, such changes must not be taken as an excuse for unduly building up a larger superstructure of notes and credits; in other words, the effect of this resolution should be to increase the free reserve of central banks and thereby to strengthen their position.

My hon. friend at the outset of his remarks said that his resolution was not put forward as suggesting a panacea. To quote his exact words, which I took down at the time, he said that the effect of his resolution, if adopted, would go a long way towards stabilization, or at least it would be a step in that direction. May I say to my hon. friend, with all deference, that the effect of this resolution, if it could be put into effect, would be precisely the opposite, and I will give the reasons why in my judgment that is so.

In his resolution my hon. friend calls for silver to have a fixed ratio to gold. Now assume that we did that. We would have to fix the ratio—a difficult thing at best, but suppose we used our best judgment in respect to it. This is what would happen. If we fixed the ratio to gold at a point where silver became higher than its present market value we would then have silver flowing to this country from the four corners of the earth, and the principle of Gresham's law would apply. The result would be that our gold would disappear and we would in effect find ourselves on a silver basis, which I think even my hon. friend from New Westminster will agree would be a very unstable basis; for whatever may be said of the respective merits of gold and silver, the fact remains that gold has been far more constant, and in the very nature of things must be far more constant, in its value than silver.

Now let us put the argument the other way. Let us assume that we put the price of silver at a lower figure than its present market price. In that event we would get no silver. We would then be confined to one metal base, and that would be gold.

Again, you might say fix the ratio of silver to gold upon a basis which represents the metallic value of silver to-day. But then what would happen? We would have fluctuations in the price of the metal. If a new mine were discovered and silver became cheap we would have disequilibrium at once. While on that point let me indicate that from the period 1866 to 1885 the average market ratio of gold to silver was 17 to 1. My hon. friend in the course of his remarks quoted the ratio 16 to 1, but as a matter of fact from 1866 down to the present time there has not been anything approaching a ratio of 16 to 1. I am taking it at its lowest point from a list of the percentages during past years which I shall now give:

Commercial Ratio of Gold to Silver

Period	Average ratio	Period	Average ratio
1866-1885	17.0	1930	53.7
1886-1895	24.1	1931	71.3
1896-1905	34.9	1932	73.3
1906-1915	36.2	1933	82.5
1916-1925	27.0	1934	80.1
1926-1929	35.9	Jan. 1-17	

Let me make it clear at once that I quite sympathize with my hon. friend from New Westminster in the object he has in mind in moving this resolution, but as I have already indicated, if we attempted to fix our currency on a fixed ratio of silver to gold the effect would be to make for disequilibrium, not for stabilization. In other words, it would have the very opposite effect to that my hon. friend desires.

[Mr. Rhodes.]

I do not propose—I would not, even if I felt myself the most competent authority in the world—to enter into an argument in principle as to whether there should or should not be bimetallism, whether we should have our currency based on a fixed ratio of silver to gold. But for the purposes of this discussion we do not need to enter into that phase of the subject at all. Let us, for the purposes of discussion, admit that that is the ideal

situation. I make mention of that for this reason: If we are to have bimetallism, its only chance of survival is through international agreement. As I have pointed out, otherwise there would be a flow of gold and silver back and forth to the absolute confusion of currencies.

I made note of one or two remarks by the hon. member which show how easily we can be led astray even with the best of intentions. I understand that my colleague, the Minister of Trade and Commerce (Mr. Stevens), who has made a great study of this important subject, will refer more particularly to the trade features. I must say that I got some mild amusement from the arguments used by the hon. member with respect to the trade with China. He referred to the fact that because silver was cheap, in order to purchase goods from a gold country the Chinaman had to use more silver. Strange as it may appear, the argument is just the other way. China never purchases goods with silver; she purchases silver with goods. Down through all the years China has been an importer of silver. The fact of the matter is that the cheaper silver is, the less goods it takes to buy it. Possibly this may have something to do with the remarks of my hon. friend concerning the great industrial boom in China. I have no doubt my colleague the Minister of Trade and Commerce will refer to this at greater length.

The hon. member referred to the silver dollar. I am speaking from memory but I think it is since 1916 that we have had upon our statute books legislation to enable us to mint a silver dollar. Possibly the circumstance that we have allowed that statute to remain unused for some eighteen years is an indication that perhaps the people of this country do not want to carry around a cumbersome silver dollar or, as it is known colloquially in the United States, a cart-wheel. I have an open mind upon the subject and I am sure that no one would be more delighted than this government if the people of this country deemed it wise to take kindly to silver dollars. On that point we have an absolutely open mind and it is a fair subject for discussion. Possibly it might be discussed in the committee on banking and commerce. What holds good with respect to silver dollars, holds equally good with respect to silver certificates which would be covered by an equal metal coverage.

The hon. member commended us for the silver agreement arrived at at the monetary and economic conference, but he said that we should have gone further. May I point out to the hon. member for New Westminster and to the house that some forty-six nations of the world sat around the table and studied closely this matter. This agreement represents in cold type the maximum distance which they felt they could go. The hon. member referred to certain provisions of this agreement. Provision (c) reads:

> That they shall substitute silver coins for low-value paper currency in so far as the budgetary and local conditions of each country will permit.

That provision has no reference to Canada but it does refer to the inordinate use of small denomination paper currency by many continental countries. I may say to my hon. friend that that provision, harmless as it may seem, was the result of a great deal of discussion and it was regarded as a real concession on the part of those countries that they should be prepared to substitute silver coins for their notes of small denomination.

The hon. member referred to what he regarded as the disparity in the proportionate amount of silver which Canada must produce as the result of being a party to the London agreement. Let me point out to him that that agreement provides for the removal from the world's markets over a period of four years of 35,000,000 ounces of silver per year. The proportion as allocated to Canada has no reference to-day to its proper proportion as a silver producer of the total amount of 35,000,000 ounces, but it did more nearly when the agreement was originally drafted. There were one or two smaller countries, whose names I need not mention, who were expected to become parties to the agreement, but they did not do so. For reasons which I need not discuss here, the United States, being very anxious that this silver agreement should go through, agreed to add the share which these countries failed to take up to their own share. Barring that contingency, the original setup provided for the purchase on the part of Canada of 1,671,802 fine ounces of silver. That amount represented our fair proportion as a producing country of silver over a period of years. Under these circumstances I submit that no fault can properly be found for our not having fallen into the terms and spirit of the agreement. I may say to my hon. friend that no exception was taken; on the contrary, the signatories to the agreement were eminently satisfied with the amount which Canada agreed to take.

Mr. MORAND: Has the minister the figures of the total amount of silver produced per year?

Mr. RHODES: I do not have them before me, but it is something under 200,000,000 ounces.

Mr. STEVENS: In 1931 it was 240,000,000 ounces.

Mr. RHODES: I ask my hon. friend and the house to note that there was a very marked concession in this agreement on the part of, not the silver producing but the silver purchasing countries. Clause 4 reads:

That the government of China shall not sell silver resulting from demonetized coins for a period of four calendar years commencing January 1, 1934.

I submit that that was a very marked concession. Again, clause 5 reads:

That the government of Spain shall not dispose by sale of more than twenty million fine ounces of silver during a period of four years commencing January 1, 1934.

And again, clause 1 (a) reads:

That the government of India shall not dispose by sale of more than one hundred and forty million fine ounces of silver during a period of four years commencing with January 1, 1934.

There is a provision that in the case of India that may be enlarged in the event that the government of India should, after the date of the agreement, sell silver to any other government for the purpose of being transferred to the United States in payment of war debts. The agreement provides that such silver shall be excluded from the scope of the clause.

Mr. YOUNG: Is there anything said about the price to be paid?

Mr. RHODES: The market price. We can discuss gold and silver as much as we like, but I submit that the main factor which we must keep before us is that portion of the resolution which provides that Canada shall fix immediately silver at a given ratio to gold.

For the reasons I have indicated, I submit that instead of having the beneficial effects which my hon. friend from New Westminster (Mr. Reid) has suggested, it would have precisely the opposite effect, and would be perhaps one of the most damaging things we could possibly do to our currency.

My time is almost up, and as I have an amendment to submit I will present it at once. It is moved by myself and seconded by Mr. Stevens:

That all the words after the word "whereas" in the first line thereof be struck out, and the following substituted therefor:

"at the world monetary and economic conference held in London, England, in the year 1933, attended by the representatives of sixty-four nations, the subject of the use of silver in the world's monetary systems was taken under consideration;

And whereas the following resoluton was unanimously passed—

Be it resolved to recommend to all the governments parties to this conference

V. (a) That an agreement be sought between the chief silver producing countries and those countries which are the largest holders or users of silver, with a view to mitigating fluctuations in the price of silver; and that the other nations not parties to such agreement should refrain from measures which could appreciably affect the silver market;

(b) That governments parties to this conference shall refrain from new legislative measures which would involve further debasement of their silver coinage below a fineness of 800/1000;

(c) That they shall substitute silver coins for low value paper currency in so far as the budgetary and local conditions of each country will permit;

(d) That all of the provisions of this resolution are subject to the following exceptions and limitations:

The requirements of such provisions shall lapse on April 1, 1934, if the agreement recommended in paragraph (a) does not come into force by that date, and in no case shall extend beyond January 1, 1938;

Governments may take any action relative to their silver coinage that they may deem necessary to prevent the flight or destruction of their silver coinage by reason of a rise in the bullion price of the silver content of their coin above the nominal or parity value of such silver coin;

And whereas on the 22nd day of July, 1933, Canada signed a memorandum of agreement regarding silver, together with Australia, China, United States of America, India, Mexico, Peru and Spain, which agreement has ben laid on the table of the house;

And whereas bimetallism is only practicable if adopted by substantially all the leading nations of the world;

And whereas the above resolution and agreement represented the greatest measure of international agreement which it was possible to obtain;

Therefore be it resolved that the action of the delegate of Canada in signing said agreement is hereby approved."

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Before the amendment is put I should like to say a few words. I was hoping some hon. members might have given expression to their views on this important matter.

The amendment is a simple one; it suggests that, inasmuch as certain steps were taken and certain decisions arrived at at the world econ-

omic conference, the house recognize what was done at that conference and endorse the action of the delegates from Canada. I think this is a perfectly sound thing to do. The matter is in a sense of a dual nature; there is the academic side, simply a general study in economics, and there is the other phase, the practical or administrative aspect. I am speaking now of the general question of bimetallism, if you like, or the remonetization of silver, or the problem of currency generally. In the amendment we do not pass judgment one way or the other on the academic question, but welcome measures that were taken at the world economic conference as at least a practical step in the right direction. It is with that view that I have seconded the amendment and given support to the views of my colleague the Minister of Finance (Mr. Rhodes).

I should like, however, to take the opportunity of saying a few words on the question in a general way. As I said a moment ago, it divides itself naturally into two sections, the academic and the practical or administrative. The success of the latter depends upon the acceptance of the former in a world wide sense. In other words it is not much use in Canada taking steps for the remonetization of silver unless there is some acceptance of the policy by other influential countries. I would not say that all countries must fall into line, but certainly one must recognize that the leaders in exchange and in control of international monetary affairs are perhaps three countries, Great Britain, the United States and France—London, New York and Paris. One of course can add other European countries having tremendous influence, such as Germany, Italy, the Netherlands, and so on, but the three great centres I have mentioned have long been recognized as the dominating centres of international exchange. So if those countries at least are not adopting an international exchange policy similar to that proposed by any resolution we may adopt, obviously we could have little success with it. Recognition of that situation caused me to realize long ago that, attractive though bimetallism—and I use the term in its broad general sense—may be, it is impractical and useless for Canada to attempt it alone. But inasmuch as the subject has been brought before parliament, perhaps I may take a short time to discuss the problem from an academic or an economic standpoint. No harm can be done by that, and certainly I welcome the opportunity.

My hon. friend the member for New Westminster (Mr. Reid), who introduced the resolution, brings it forward at this time in perfect good faith, I have no doubt; but some of us who brought the question up three, four, or five years ago received little support then; until last year very little interest was evidenced in the matter by others in the house or out of it. During the last year it became a much more popular idea and therefore of course attractive from the point of view of its being a matter for discussion in the House of Commons. Perhaps if we had been giving more attention to it during the years of the depression we might have been able to observe a larger measure of progress at this time than we do find in this or other countries. Statesmen throughout the world, during the past four years particularly, have been looking for some measure for stabilizing prices, something that would be satisfactory to all countries. They have also been looking for a better foundation for currency, because it must be admitted that the basis of currency in many countries has been sadly dislocated; there has been loss of confidence not only in the currency of some countries but in the credit of the countries themselves. World statesmen and economists of note have been looking for these stabilizing factors, for some measure acceptable to all for the control of international exchange. But nothing has been found that is generally acceptable to the nations of the world.

A few of us—speaking in a general sense—in different countries have held the view that had silver been joined with gold it would have formed a suitable background for currency; that it would have led to the stabilizing of international exchange and a wider degree of confidence in the currencies of the world, and perhaps would have materially helped towards the stabilizing of prices. That is a view that has been held by many. However, as I have intimated, it has not found acceptance among the nations of the world. It may be recalled that in 1921 John Maynard Keynes, one of the most widely known economists—I suppose one can scarcely say that any one economist is an authority, but certainly Mr. Keynes is widely known—suggested that wheat or butter or iron might be used as a basis for currency. Then another school of thought held the view that currency should be issued against commodities produced, the currency being retired as the commodities went into consumption. But in respect of all these suggestions, and they have been numerous, it immediately became clear that currency resting upon such a basis would be as variable as the quantity of the product upon which it was founded. For instance, Keynes for some time rather emphasized wheat, a commodity of world-wide use, as a

stable basis for currency, but when in 1928 nearly the whole world had a bumper crop and there was a huge surplus of wheat on the markets of the world, he realized then if not before that currency based upon a commodity of that kind would be extremely variable in its character. So these suggestions have not met with favour. But they are indications that thinkers the world over have been trying to find some way in which the currencies of the world might be more firmly founded upon some basis commonly acceptable to all.

Now I should like to say a few words, Mr. Speaker, referring to the subject in a general way and discussing it, shall I say, from an academic standpoint. Silver, as the hon. member who introduced the resolution said, has been used as a background for currency from time immemorial. It might be well to remember that it served in a very satisfactory way all through the centuries until it was demonetized by legislative action in the last century; I think 1873 was the main year of departure. In other words, silver was recognized as a sound and safe background for currency, being used in some countries in conjunction with gold but in most countries as the sole background until it was demonetized. Demonetization of silver took the form of simply closing the mints of the world to silver, and I refer to that for this reason: there are many who contend that because silver has fallen in value, that is evidence that it has no higher value, but the reason silver has fallen to the exent it has in recent years is that it lost its power or its usefulness as money or currency and became a commodity like tin, zinc, lead or iron, and now silver is a commodity and only a commodity. Previously it was a money factor and was also used in the arts and sciences, but having been denied entry to the mints as a material out of which money was made, it lost that value and became merely an ordinary commodity on the market, and of course it fell in value.

An interesting thing to note, Mr. Speaker, is the historic ratio of silver, to which the Minister of Finance (Mr. Rhodes) referred this afternoon, as did the hon. member who introduced the resolution. There was a consistency about the ratio of silver to gold as long as it was used as a currency which is rather striking and, to my mind, a bit startling. In the Roman period it was twelve to one and stood at that ratio for many years, in fact for many centuries, I think. Then for several centuries France and England had it fixed by law at fifteen and a half to one. and I think this ratio was accepted by the United States as well as by the Latin union, that is, France, Italy, Spain and Portugal, if I remember rightly. This ratio obtained for several hundred years. It is interesting also to note that for a period of at least one hundred years prior to 1873 silver did not vary in value more than one point; the variation was very slight indeed. As as matter of fact in 1717 an investigation was conducted by Sir Isaac Newton and a very interesting report on this subject which can be found in the library here, was made to the British government. Sir Isaac Newton confirmed the ratio of fifteen and a half to one and, as I say. that ratio obtained during the centuries with apparent satisfaction.

We have had figures given to-day in regard to the production of silver. I have a few figures that are slightly different, but they largely confirm what has been stated previously. In a period of approximately four hundred years, from 1493 to 1931, there have been produced about 14,500,000,000 ounces of silver. I am referring to this because I think it is important to keep in mind the question of the production of silver. There is a fear in the minds of some that the production of silver would increase so rapidly as literally to swamp the market should silver be remonetized. The ratio of production, as I have already intimated, has been about fourteen and a half to one over a period of five hundred years. In the last fifty years, however, the ratio has been about 14·4 to one. The latter figure is accurate; the former figure is accepted the world over as a fair figure. But the significant point is that eighty per cent of the world's silver is produced as a by-product, and I think this constitutes a safeguard to the overproduction of silver. For instance, if there was a tendency to speed up the production of silver to an unwarranted degree it would result in an increased production of lead, zinc and copper, the three metals with which silver is usually associated, to an extent that would constitute a great overproduction of these other metals and result in a disastrous drop in the prices of such metals. So where there might be a tendency to increase the production of silver unduly there would be that natural brake in the tendency to reduce the production of these other commodities. I do not share the view at all that necessarily there would be an overproduction of silver. The sources of supply are well known; in 1930 Mexico produced 105,000,000 ounces, the United States, 49,000,000 ounces, Canada, 26,000,000 ounces, South America, 25,000,000 ounces, and miscellaneous countries, 35,000,000 ounces.

Mr. STEWART (Edmonton): But is not that overproduction always a possibility?

Mr. STEVENS: No, I think not. My own view is that there is not a likelihood of any overproduction. Mexico, of course, is overwhelmingly the greatest producer of silver. I do not think there is any danger of overproduction in Canada or the United States.

Now I should like to say just a word as to the use of silver in the arts and industries, which must not be lost sight of. About thirty-five per cent of the silver produced is used in the arts and industries. For instance, the United States uses 25,000,000 ounces annually; the United Kingdom uses 6,000,000 ounces, and the miscellaneous other countries use about 20,000,000 ounces.

Then there is the question of the market for silver. As the Minister of Finance very properly pointed out this afternoon, India and China have been the great consuming markets for silver; they are importers to a very large extent. As a matter of fact, in 1929 China and India between them imported about 220,000,000 ounces of silver. In 1932, however, they imported much less, China about 80,000,000 ounces and India about 12,000,000 ounces. No doubt this falling off was due to the drop in the price of silver in the world market and also to the adoption in India of the definite gold policy and the offering for sale of large quantities of silver. For instance, as a result of going on the gold standard in 1925, I think, India had about 300,000,000 ounces of silver placed in the treasury which they felt they had to feed out to the market. That was over and above the requirements of the country for coinage, and in a few years about 90,000,000 ounces were sold. It was the sale of this large amount of silver, plus the debasing of the coinage of Europe, that really created the catastrophe to the silver market of the world. For instance France, by turning to aluminum, to paper francs and so on, released 60,000,000 ounces of silver in the six or eight years between 1924 and 1930 or thereabouts, and India released 300,000,000 ounces. Then in Great Britain, where coinage was debased from ·925 fine to ·500, they released some 82,000,000 ounces. This gives an indication of the amount of silver which came on to the market, not from production, but from the abandonment of a high standard of silver in coinage, and in the case of India the abandonment of the silver basis for all its coinage and the adoption of the gold standard. It is estimated that as a result of the debasing of the silver coinage of the world during a ten year period 408,000,000 ounces were released on the markets of the world. That is one of the reasons why I consider that the international conference of last summer in its agreement regarding silver did something that was very useful in this connection, because it bound certain countries to cease the debasing of currency and as early as possible to restore the high standard; and, on the other hand, it provided that certain producing countries should absorb a portion of their production within their own boundaries.

For instance, Belgium has already issued a new silver coinage. One of the first coins minted I received the other day from the International Chamber of Commerce. They have restored a ·825 fine standard. That is a practical and useful contribution to the solution of the silver problem of the world.

Mr. REID: Are you sure it is not ·925 fine?

Mr. STEVENS: No, I am not quite sure on that point.

Mr. BENNETT: It provides for ·800.

Mr. STEVENS: It is ·800 in the agreement. I should like to have seen it ·925, because that is the full silver content of the recognized silver coinage of the world, ·925 being looked upon as as much silver as one dares to put into a coin and still have it usable. These are interesting facts, Mr. Speaker.

I wish now to turn briefly to a reference to China made by the hon. member. If he will permit me to say so, the mistake he made in referring to Chinese or oriental trade and its relation to silver is this: The business of China, as we understand it, is done largely at Shanghai; it is centred at Shanghai. At that point you have the great banks of China, and may I say there are some very powerful banking institutions. In Shanghai there are located to a large degree the industrial and commercial activities of northern China. Of course, Canton in the south is the other great centre. But while it is true in the back country of China silver is still used as the currency, and while in those parts they prefer to have silver in some form, yet in the Shanghai centre the bankers are against the readoption of silver as the background for currency in other countries of the world, because, as the Minister of Finance quite properly pointed out, it would mean the raising of the price of silver, and therefore they would have to ship out more goods for the same quantity of silver. They take the position that the low silver market is helpful to the dealer in goods manufactured or otherwise in the exporting centre of Shanghai, and so they are opposed to the remonetiza-

tion of silver. On the other hand may I give my own opinion, for what it is worth. I am of the view that if silver were remonetized and raised in value so that in the older trading countries of the world it would have a higher purchasing value, the people in the back country of China, those parts away from the trading centres of Shanghai and Canton, would experience an increased purchasing power and there would be a stimulus to trade. However, there is a distinct cleavage of opinion on that point. There are those who argue strongly that it is much better that silver should be low so that dealers in goods, and manufacturers, exporters and importers in the great centres of Canton and Shanghai can get silver as cheaply as possible, rather than have it at a higher price to increase purchasing power in the country behind.

Furthermore, it is interesting to note in regard to China that Shanghai is one of the few places, if not the only one, in the world where gold is sold purely as a commodity. In the great royal gold exchange in Shanghai they have a huge building devoted to this purpose alone, where gold is traded in every day just the same as in this country wheat is traded at Winnipeg, or as in the United States corn is traded in Chicago or the metals in New York.

An hon. MEMBER: In what form?

Mr. STEVENS: It is in bars, the exact weight of which I have not in mind. Each bar consists of a certain number of ounces, but I shall not risk saying what size they are. However it is a certain gold bar, stamped by the Chinese authorities, and traded in the royal gold exchange just the same as other commodities are traded in exchanges. That is a most interesting point. Furthermore it is not correct to assume that in China there is no understanding of a gold currency, because in that country gold has been used as a currency for some five thousand years. If any hon. member wishes to study the matter he will find in the library a very interesting work on the subject written by a gentleman whose name for the moment escapes me, but who is one of the most outstanding authorities. The book was only recently published and is most interesting reading. I make this reference only because it is well to have the facts before us when we are dealing with these subjects. The question, therefore, of the trade with China does not enter into the matter in quite as aggravated a form as at first it would appear, but it is possible, quite possible—and I do not wish too strongly to contradict the hon. member who introduced the resolution—it is quite possible if, and I must use capital letters for that word, "if" silver were readopted by the leading nations of the world, that ultimately it would be a benefit to those people living in the oriental countries and away from the great centres to which I have referred.

A word more regarding the position silver has held for centuries in the trading markets of the world. I have intimated there was not very much variation in its price until the year 1873. As indicated by the Minister of Finance, from 1873 onward there has been a constant fluctuation in the price of silver, but there is a very definite and distinct reason for that. Up to 1873 silver was recognized in all the great trading nations of the world as a monetary medium. The mints of these countries were open to silver. Then, following the Franco-German war and the acquisition by Germany of huge quantities of gold, Germany closed her mints to silver, and Great Britain, which had been following a bimetallic system from 1816 onward under which gold and silver were both recognized, closed its mints to silver. Shortly afterwards France and the Latin union were forced to close their mints to silver, and then the price of silver fell off very rapidly.

The Minister of Finance gave prices in percentages, but I have here some prices which I believe to be accurate, and are given in a way different from that adopted this afternoon by the Minister of Finance. In 1873 the price of silver in New York was $1.29; in France it was $1.31; in England it was $1.30, but the average was $1.30. That had been the general price over a long period of years. In 1883 it had fallen to $1.11; in 1893 it was 78 cents; in 1894, 60 cents, and it remained at 60 or 55 cents or thereabouts until the great war. During the great war there was a very large demand for silver to pay for the goods taken from the orient, and silver rose to $1.30 and, at one time I think, to $1.80 an ounce. But immediately after the war the price fell again to $1.01 in 1920, and in 1930 the lowest price was 26 cents. The decline over that long period of years carried silver down to 50 cents, where it remained for a number of years, and then it fell subsequent to the depression to as low as 26 cents. The fluctuation in the price of silver after 1873 was due to the closing of the mints to silver. If anyone is interested in getting a view of that particular period when the mints of Great Britain and Germany, and later of France, were closed to silver, they will find in the debates of the British House

of Commons of 1889 a debate on a resolution introduced by Mr. W. H. Smith, of Yorkshire. I am speaking from memory but I think I have the facts correctly. Mr. Smith introduced a resolution indicating that by 1889 there had resulted such an interference with trade because of the demonetization of silver that it threatened the welfare of the nation, or something to that effect. Sir Edward Goschen was Chancellor of the Exchequer at the time and he took part in the debate. I remember reading his argument, and in a word it was this: To interfere in 1889, the time at which he was speaking, with the decision of 1873 would result in such a dislocation of financial arrangements in the money market of London that he did not contemplate the results with equanimity. In his speech however he expressed a degree of acquiescence in the views of Mr. Smith, and the most interesting feature of all of that debate was an address by the late Lord Balfour, then Mr. Arthur Balfour. He was then a young man and on that occasion he made a speech which would repay the time given to a reading of it because in it he indicated what in his opinion would be the ultimate effect of this demonetization of silver in the leading countries of the world. If you will read his utterances of that day, in 1889, in the light of what has happened since, you can only conclude that he had a prophetic vision. I may say that Mr. Balfour, afterwards Lord Balfour, held that opinion to the day of his death, because only a few months before he died he gave expression to a similar view.

But the point that we are concerned with at the present moment is not the theory of bimetallism, which I frankly state to the house is one that I hold, bimetallism constituting a suitable backing for international currency if acceptable to the leading countries of the world; but we are dealing to-night with what this country and this government should do. I should like to see this country in a position where it could again accept silver into its mints as freely as gold. I should like to see the larger countries of the world do it; but the world thinks differently. The world monetary and economic conference of last summer went into this matter with great care and came to the decision which we have before us as a parliament.

I submit to the house that whatever may be the view we as individuals may have on the theory of this subject is not necessarily the view which we should ask parliament to act upon, but rather we should act in conformity with the most progressive steps taken by the leading countries of the world, and that we have before us in the form of the agreement to which reference has been made by the Minister of Finance to-day. It is for that reason, recognizing that we can only go as far as it is practicable for us to go, that I have seconded the minister's amendment, which virtually declares that this house accepts the decision so taken, not necessarily as indicating final action or the final step, but being for the moment all that we can practically do towards the restoration of silver to its old position as copartner with gold as a backing for the currency of the world.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, both the resolution and the amendment are in my opinion based on the belief so commonly held in these days that you can increase the wealth of the world in some way or other by juggling with the yardstick by which it is measured. We are told that the present depression came upon us because of an artificial increase in the value of gold. Gold is the standard of value of the western countries. Silver is the standard of value of the eastern countries. We are told that by artificially increasing our standard of value disaster has been brought upon the western world; then we are asked by the same persons to do the very same thing with the standard of value of the eastern countries. We are asked to do with silver what was done with gold. Would not the same results follow? If artificially increasing the value of gold brought disaster to us, would not artificially increasing the value of silver, the standard of China, bring disaster to China? China produces no silver; she buys her silver. Does China buy silver with goods or goods with silver? If she buys goods with silver and we artificially increase the price of silver, then when we sell wheat to China we shall have to give her more wheat for the same quantity of silver; in other words, we shall have to accept a lower price for our wheat. If, on the other hand, China buys silver with goods, and you artificially increase the price of silver, you compel China to pay more for the silver she requires. The Minister of Finance (Mr. Rhodes) had a very clear understanding of this when he spoke this afternoon. I took down his words. He said "China never purchases goods with silver; she purchases silver with goods. Down through all the years China has been an importer of silver. The fact of the matter is that the cheaper silver is, the less goods it takes to buy it. This may have something to do with the remarks of my hon. friend concerning the great industrial boom in China." In other

words, China is prosperous because silver is of low value. The Minister of Finance showed a clear understanding of the matter when he uttered those words. Then I take the agreement that he signed as Minister of Finance at the world monetary and economic conference, in which I find this:

> Whereas, it is to the advantage of China that sales from monetary stocks of silver be offset by purchases as herein provided, with a view to its effective stabilization,

And so on. In other words, the Minister of Finance proved in his speech this afternoon that a low price for silver was an advantage to China, and then he asks us to support an agreement that seeks to bring back prosperity to China by artificially increasing the price of silver. The minister this afternoon made a conclusive answer, an unanswerable answer, to the agreement which he himself signed as minister.

The Minister of Trade and Commerce (Mr. Stevens) told us a few moments ago that the big bankers and business men of Shanghai and other seaports of China are opposed to the remonetization of silver. But, he said, when you go into the interior where silver is still the only medium of exchange, to artificially increase the price of silver would increase the purchasing power of the people who live there. A Chinaman with an ounce of silver in his possession, if you suddenly doubled the value of silver, would undoubtedly have his purchasing power increased, but how long would that increased purchasing power last? It would last for only one transaction. The Chinaman with an ounce of silver which he has earned goes into a store, and if you have doubled the value of silver by some such measure as this he can buy twice as much of the things he needs, but then in order to get his next ounce of silver he will have to give twice as much labour or twice as much of the goods he has to sell. So this increased purchasing power that would go to the Chinaman would last only one day.

The Minister of Finance proved conclusively this afternoon that there was sufficient gold in the world to serve as a standard for all monetary purposes. Why then should we go out of our way and pledge this and all other governments to buy silver at more than its value and take it off the market? There is no necessity for it, as it is not needed as a standard. The minister has proved this.

It is the most amazing thing of anything that has happened in public life for many years, to find that a small group of men from the different countries that produce silver were able to influence not only their own governments but all governments of the world to buy their commodity at more than its worth and take it off the market. This applied not only to the countries that were going to benefit, that is, the countries that had silver to sell, but even to China which had silver to buy. I think it is the most amazing thing that ever happened in the history of lobbying. This group of lobbyists were able to convince not only those members who represented mining districts, not only the governments of the countries that produced silver, but the governments of the countries that had to buy silver. These governments were influenced to increase artificially the price of silver, to buy it and take it off the market. For example, they influenced countries like India which had vast quantities of silver to sell; that country needed the money but they were persuaded to hold their silver off the market in order that the silver producers could dig more silver out of the ground and get a good price for it. When we see such phenomena as that, we almost despair of the power of the human race to govern itself.

Mr. THOMAS REID (New Westminster): Mr. Speaker, before the amendment is put I should like to make a few remarks regarding what has been said in this debate and to conclude some that I had not time to make before six o'clock. I do not intend to take up the time of the house in endeavouring to answer everything that has been said by the Minister of Finance (Mr. Rhodes), by the Minister of Trade and Commerce (Mr. Stevens) and by the last speaker, the hon. member for Weyburn (Mr. Young). However, I shall take the last first and attempt to answer one or two of the statements made by the hon. member.

First of all, it is not the Indian people that are selling silver. To-day the Indian people are buying all the silver they can get; it is the Indian government that is selling silver. That is quite a different thing from the Indian people. To-day the Indian people are still valuing their wealth in silver and with the low price of silver at present prevailing they are turning in their paper rupees to purchase bar silver for trading and hoarding. It is not correct to say that the Indians are selling silver; the Indian government is but not the Indian people. They are still large purchasers.

The hon. member for Weyburn spoke about the price of silver increasing and the benefits accruing to the mine owners. He did not say anything about the gold mine owners in this country. I am of the opinion that this country will have to follow the example of President Roosevelt of the United States and revalue her gold. To-day, gold is valued at something like $35 an ounce while only a short time ago it was valued at only $20.67. If those who

are advocating bimetallism or the adoption of silver are crazy, the same remarks could be applied to President Roosevelt. Although Lloyd George has not always been right in his day, he maintains that President Roosevelt is to be likened to Christopher Columbus, with this difference: President Roosevelt knows where he is going and where he will land, while Christopher Columbus did not.

An hon. MEMBER: But he got there.

Mr. REID: I have not the time at my disposal to develop the argument made regarding the buying power of the people as fully as I should like, but I would like the hon. member for Weyburn to look at the trade figures of the countries with depreciated currencies. He needs to go back only a year and a half to find that when the people of this country were selling their wheat to England with the pound valued at only $3.50 we were getting very little for our goods in Great Britain compared with what we are getting to-day, when the pound sterling is worth some $5.60. This takes some answering.

Regarding the boom in China, I desire to repeat what I said previously, and I looked up my remarks during the recess. I stated that the industrial boom in China was due to the influx of capital which had taken place principally from the financiers in the United States who were helping China to build up her industries. This is an influx of capital just the same as if these financiers came to Canada with millions of dollars to build up our factories.

The Minister of Finance spoke about the maladministration of gold. If the rules of the house would permit him to reply I should like him to answer this question: Who will fix maladministration of gold? Mr. Winston Churchill has stated that the road back to gold is not going to be easy, in fact it is going to be very difficult. Three countries own practically all the gold supply of the world and it is going to be a difficult matter to redistribute that commodity. An attempt is being made to do this by revaluation.

I listened with a great deal of interest to the Minister of Finance who gave figures with reference to the ratio of gold supply to output. I am afraid he and I will have to agree to differ. The figures which I gave before and which I intend to give now were obtained from what I believe to be an authentic source. I believe the United States bureau of metal statistics is a very reliable source of information. They state that from 1906 to the present time gold production has not increased; in fact the production in 1932 was away below the production in other years between 1906 and 1932. These are the figures given by the bureau of metal statistics and I take them to be fairly authentic.

In connection with the ratio of gold to silver, the Minister of Finance quoted figures to show that silver had depreciated or had a ratio ranging from 12 to 1 to as high as 80 to 1. According to the figures of the American bureau of statistics, the ratios ranged from 7·61 to 13·83 in the period from 1906 to 1932. I have the complete table before me and I am afraid in this instance we will have to agree to differ. According also to these figures, gold production has been decreasing.

Mr. BENNETT: Has the hon. member the figures for 1932 and 1933?

Mr. REID: The gold production for 1932 is given as 23,884,000 ounces and silver as 166,454,000 ounces.

Mr. BENNETT: The Minister of Finance was giving the ratios of the values per ounce.

Mr. REID: It puts a different aspect on the whole matter when he takes the revalued price of gold.

I listened also very attentively to the remarks of the Minister of Trade and Commerce. The last time he spoke in this house he took me to task about what he thought were some veiled remarks I had made regarding himself. Now it is my turn to take him to task about some veiled remarks I believe he has made about me. I think he was throwing out the inference that since 1925 no one on this side of the house has said anything about silver. Unfortunately I was not in the house from 1925 to 1930, but since I have been here I have made a speech on silver every year. The minister stated that silver was a popular move now, but I do not think it can be said that the member for New Westminster is taking up this matter simply because it seems to be a popular move. If the minister's remarks were intended to be personal, I resent them very much. While I do not claim to be an expert, I have made some little study of this matter, both before coming to this house and afterwards, and I have spoken every year on the rehabilitation of silver. Since I have been here I have spoken every year on the subject, but certainly in 1931 and 1932 no one could forecast that steps would be taken in 1934 with regard to the remonetization of silver.

With regard to the amendment offered, I think it is a little unfair, if I may say so, for the government to ask this house, in connection with the motion now before the

chair, to endorse the steps taken by them in signing the agreement; I do not think they should have added that as an amendment to the resolution. Speaking for myself, I am in favour of the step taken by the government and for that reason therefore I will support the amendment. I should not be on very firm ground if I did not support the move that has been taken in that regard, but just the same I feel that the agreement on silver ought to have been brought down to the house for discussion in detail, standing on its own merits, instead of being added in the form in which it has been to the resolution introduced by myself.

Before the resolution was brought forward I was under the impression that the government, if they did not adopt it, might agree to refer my resolution to the banking and commerce committee so that of those who are interested in the whole subject could appear before that committee and advocate the adoption of silver.

As regards the advantages that would accrue to this country if we adopted silver, I would leave these figures with the house. In 1929 there were 4,153 employed in silver lead mining in Canada, and of that number 3,220 were employed in silver lead mining in British Columbia. I have not gone back further, but I believe that the figures were even higher than that in years prior to 1929. In 1932 however that figure had dropped to a total of 1,082 employed in silver lead mining throughout Canada, of which number 555 only were engaged in British Columbia, a very considerable decline. I was up through the interior during the fall of last year and was informed on many occasions and by reliable authority that if the price of silver rose to 50 cents an ounce there would not be an idle man in the interior of British Columbia. I still say that if President Roosevelt revalues silver, as he will most likely do, we shall have to do the same, and that will increase the base for our monetary coverage.

I should like the minister to have intimated to the house whether or not it was the intention of the government to issue silver certificates for the buying of silver, because I was going to point out that by the issue of silver certificates, which could not be termed inflation as we know it; by the purchase of silver and minting it into silver dollars, the country would not be put to any further expense than would be involved in the issuing of paper certificates. I know the argument might be advanced that if the price of silver rose those holding silver certificates might demand silver. But I would point out to the Minister of Finance that there could be a proviso in the act to the effect that silver would be rated as to value and not as to weight. Of the amount which Canada is going to purchase, 1,671,802 ounces, by the issue of silver certificates, at 40 cents per ounce, there would be 668,720 silver certificates of the value of $1 each.

Mr. BENNETT: How many?

Mr. REID: 668,720.

Mr. BENNETT: The total number outstanding?

Mr. REID: That would be the total at 40 cents an ounce; for 1,671,802 ounces, under the agreement, that would be the total number of certificates that would have to be issued; and as a reserve against that there could be placed in the treasury that amount of silver dollars. But it would not take that number of ounces for coverage by silver dollars, because under our present 800/1000 fine it would take only 420,000 ounces of fine silver to make 668,720 silver dollars. I have worked it out carefully.

Mr. BENNETT: That is, 480 grains of silver to the dollar?

Mr. REID: Yes, and according to present day mintage, one ounce of fine silver produces $1.60 in coins.

Mr. BENNETT: At what price?

Mr. REID: Forty cents an ounce. Those were the figures given me by the mint: one ounce of fine silver produces 1.60 in coinage at the present time.

Mr. BENNETT: But that is not at 800/1000 of purity.

Mr. REID: I am told it is.

Mr. BENNETT: That is a little high.

Mr. REID: I went into the subject carefully with the master of the mint, who informs me that it is so. So that with silver at 40 cents an ounce this country is making a profit at the present time of $1.20 on the coinage issued. I think that should be known to members of the house; a profit of 1.20 is made on every ounce of silver minted into coinage. Now, if silver certificates could be issued in connection with Canada's recent silver agreement, it would not cost this country any more than the cost of issuing the paper, and against that there could be on deposit in the mint 668,720 silver dollars. To make those silver dollars, as I say, it would take only 420,000 ounces of fine silver. There

would still be a balance on hand of 1,252,802 ounces which the government could issue in the same way in silver certificates to the extent of 2,002,083. It would be all profit.

I have worked this out carefully and I was going to urge the government to take note of it. I might point out there are thirteen countries to-day issuing silver certificates. There are also many millions of silver certificates in the United States and many more will no doubt be issued on the silver that is being purchased by the treasury there.

In conclusion, may I assure the house that I am not pleading for the silver mines alone, and I might say I have no personal interest in them; I am simply interested in the welfare of the people of this country and those engaged in that business. I have been making a plea on humanitarian grounds, and this is not the first time in this house that I have advocated the rehabilitation of silver. I should like to have seen the subject referred to the appropriate committee on banking, because if the government would consider the advisability of issuing silver certificates it would add to the base of the precious metal gold, which would act as a brake so to speak, on uncontrolled inflation. I am going to support the amendment; but, I repeat, I think that the subject matter of that amendment should have been presented to the house in a more appropriate form, such as by bringing down the agreement itself, so that the house might consider that agreement on its merits. Certainly, the silver agreement should not have been introduced into the amendment to my resolution.

Amendment (Mr. Rhodes) agreed to.

Main motion (Mr. Reid) as amended, agreed to.

CURRENCY, STATE NOTES AND BONDS

STAMPED AND PRINTED IN THE TWO OFFICIAL LANGUAGES

Mr. J. A. BARRETTE (Berthier-Maskinonge) (Translation): moved:—

That, in the opinion of this house, the question of issuing bilingual state currency, notes and bonds should be referred to a special committee consisting of Messrs. Hackett, Gobeil, Bourgeois, Bell (St. Antoine), Nicholson, Gott, Plunkett, Price, Malcolm, Ralston, Lapointe, Cardin, Casgrain, Rinfret, and Lucas, with power to send for papers, summon witnesses and report from time to time.

Mr. Speaker, the present question is certainly worthy of the consideration of the House. I, therefore, immediately put the following question: Have not Canadian members an interest in placing the problem of bilingual currency on a basis of "bonne entente," so as to better study it in the light of what is right and just and so that the French Canadian element would derive some benefit?

The hon. member for Bellechasse (Mr. Boulanger), stated, last year, in nicely couched and worthy terms, when he discussed his resolution, that bilingual currency is not a new question to the house. I note, in the debates of this house, that, at the 1906-07 session, the hon. member for Montmagny (Mr. LaVergne), questioned Mr. Fielding, then Minister of Finance, with reference to the stamping of currency and printing of government notes in the two official languages of this country. Mr. Fielding replied that this innovation did not seem to him widely requested. The house will observe that ever since that date the answer has not varied. You will find the questions and answers at page 6015, volume IV of Hansard, session 1906-07.

I shall not attempt to give an account of the debate which took place on this delicate subject. I am aware that the hon. member for Bellechasse is sincere and I also have no doubt about the sincerity of the seconder; to both I extend my congratulations for their zeal in promoting the success of this cause.

The hon. Solicitor General (Mr. Dupré), when the resolution of the hon. member for Bellechasse was discussed, proved beyond all doubt, according to the evidence, that bilingual currency should have its place in this country, by virtue of our rights and after proving that it was so stipulated in our statutes, he added:

Is the principle of bilingual state currency, notes and bonds, a sound principle? My answer is yes.

What is the status of the French language at the present time? To answer that question I must go back to 1840. At that time, during the third and fourth years of the reign of Her Majesty Queen Victoria, there was passed an act, which in 3 and 4 Victoria, chapter 35, to reunite the provinces of lower and upper Canada. By this act the French language was prohibited, but this prohibition was lifted on August 14, 1848, by 11 and 12 Victoria, chapter 56. I should like to direct the attention of the house to that chapter. It is entitled:

"An act to repeal so much of an act of the third and fourth years of her present majesty, to reconcile the provinces of upper and lower Canada, and for the government of Canada, as related to the use of the English language in instruments relating to the legislative council and legislative assembly of the provinces of Canada. This is how the statute reads:

Whereas by an act passed in the session of parliament held in the third and fourth years of her present majesty, intituled an act to reunite the provinces of upper and lower Canada, and for the government of Canada, it

is amongst other things enacted, that from and after the said reunion of the said two provinces, all writs, proclamations, instruments for summoning and calling together the legislative council and legislative assembly of the province of Canada, and for proroguing and dissolving the same, and all writs of summons and elections—

I should like to direct attention to the following words:

—and all writs and public instruments whatsoever relating to the said legislative council and legislative assembly, or either of them, and all returns to such writs and instruments, and all journals—

I should like to direct particular attention to the next words:

—entries and written or printed proceedings of what nature soever, of the said legislative council and legislative assembly, and of each of them respectively, and all written and printed proceedings and reports of committees of the said legislative council and legislative assembly respectively, shall be in the English language only: Provided always, that the said enactment should not be construed to prevent translated copies of any such documents being made, but no such copy should be kept among the records of the legislative council or legislative assembly, or be deemed in any case to have the force of an original record:

And whereas it is expedient to alter the law in this respect, in order that the legislature of the province of Canada, or the said legislative council and legislative assembly respectively, may have power to make such regulations herein as to them may seem advisable; be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, that from and after the passing of this act, so much of the said recited act as is hereinbefore recited shall be repealed."

In constitutional law does not the repeal of a prohibition render the thing prohibited permissible, permitted, legal and constitutional? Therefore may I not conclude that bilingual currency, having been prohibited by 3 and 4 Victoria, chapter 35, became permissible, permitted, legal and constitutional when 3 and 4 Victoria was repealed?

Among parliamentarians, who, years ago, shone in the House of Commons and later became distinguished statesmen, I note in the foremost ranks the names of Sir John A. Macdonald and Sir Georges E. Cartier. Why have these men played such an important part in history? It is because they always recognized and respected the rights of the minority. May I recall to your memory a splendid speech delivered in the house by Sir John A. Macdonald, in which he stated:

I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other; I believe that would be impossible if it were tried and it would be foolish and wicked if it were possible. The statement that has been made so often that this is a conquered country is "à propos de rien." Whether it was conquered or ceded we have a constitution under which all British subjects are in a position of absolute equality, having rights of every kind, of language, of religion, of property and of person. There is no paramount race in this country, there is no conquered race in this country, we are British subjects and those who are not English are none the less British subjects on that account.

I do not wish to rouse any racial prejudices; however, I put the question to the house, whether this right is embodied in our constitution. Why then not apply it to help the "bonne entente" in all the provinces of confederation.

I recall that, in 1916, the hon. member for Quebec East (Mr. Lapointe) raised an interesting discussion in the house. The resolution he introduced became known as the "Lapointe motion." I should like to see the former Minister of Justice in his seat so as to remind him that, on that occasion, I had the privilege of voting in favour of his resolution. This motion created quite a stir at the time and even brought fame to him.

Hon. gentlemen may perhaps contend that those in favour of bilingualism last year, wanted the house to vote on the merit of this question; unfortunately, unforeseen events prevented the house from doing so. That is why I wished to remove from party strife, the question of bilingual currency, I was therefore in favour of a committee composed of fifteen members chosen among the leading members of the house. Hon. gentlemen will note that the opposition is represented by five former ministers. One cannot cast any doubt on the good intentions of the former Minister of Justice, no more than on those of the hon. member for Stanstead (Mr. Hackett). They are legal lights, known for their moral and social probity, which is an assurance that this question will be fairly dealt with and do full justice to the French Canadian element of this country. Thus will disappear all friction which may exist between majority and minority groups.

If one inquires why the question is left to a committee, it is because each time the house was called upon to consider resolutions of that kind, the various groups in the house always made political capital by appealing each time to race prejudice and thus preventing the success of our cause. The committee will be authorized to take down the evidence of persons not connected with the house; such as bank managers, officials of the Finance department, etc.

These are reasons which certainly favoured the appointment of a committee.

Furthermore, I wish to point out to the house that never has a political party been

able to hoist itself into office by appealing to racial prejudices, and that never will a party hold office by bringing up such questions. I would like to see all my friends present here so as to warn them well, that never a political party will assume power without having the support of the province of Quebec. In 1911, that province gave 27 seats to the Conservative party. In 1921, the Liberal party took office with 65 seats from Quebec, and in 1930, the Conservative party returned to power with 25 members from Quebec. This goes to prove that Quebec is closely linked with smooth and good government. Each time a party takes office, Quebec will greatly be interested, because she will always be the province that has placed that party in office.

If I had a suggestion to make to members on the committee, it would be the following: Let them bear in mind the prayer which they repeat together every day before each sitting of the house, when they implore the Almighty for peace and harmony. I trust that this idea of the "bonne entente" will bear abundant fruit and thus contribute to the welfare of the Canadian people.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I wish to congratulate the hon. member for Berthier-Maskinongé (Mr. Barrette) on his comments generally replete with common sense. I must also thank him for his kind references to me. His kindness makes me regret more so that I find it impossible to entirely approve the measure he has submitted to the house. I would be inclined to vote in favour of this resolution if it could bring some result. I may say further: I would even support the measure were I convinced that it would do no harm. Unfortunately, in spite of all the eloquence of my hon. friend, the member for Berthier-Maskinongé, he has not convinced me that his motion would not be harmful.

He requests the appointment of a committee to consider the question whether we should have in this county bilingual currency. I think that this question is no longer debatable. It has been settled. French Canadians, at all events, consider that the question has been definitely settled long ago. By his resolution, my hon. friend from Berthier Maskinongé brings up again the whole question and re-opens the discussion. May I point out, sir, that the question the hon. member wishes a committee to examine is purely and simply a question of law, it is not one of fact. There is no need of witnesses to establish whether we are entitled or not to speak French in Canada or whether we are entitled to have public documents published in the French language. There is nothing to establish, nothing to prove, the question is purely and simply a constitutional one. I even think that it would even be, so to speak, humiliating to have a committee of the house consider whether we are entitled to speak the French language or whether public documents should be published in French. As far as I am concerned and that includes many, the question was settled long ago, ever since we have a constitution and even long before, because the latter only sanctioned—and badly at that, in my opinion—the natural right of one-third of the population of Canada to read in its own language the public documents of this nation

Mr. POULIOT (Translation): Hear, hear!

Mr. BOULANGER (Translation): If there be a public document which expresses the character of a nation, it is certainly currency. There should be no opposition against the language of one-third of the population—especially when it is that of the pioneers of this country, of those who discovered Canada, civilized and defended it against the invader—being placed on our currency.

My hon. friend stated a moment ago: This is not a new question, for ever so long has it been threshed out in parliament. He mentioned the name of my hon. friend from Montmagny (Mr. LaVergne), whom I regret not to see in the house because he is unable to leave his room owing to illness. Then, if the question has been discussed so much in parliament, if it has been the topic for so many years, it is futile to further study it, to appoint a committee so as to again consider and inquire into a matter which is so well known, since it has been before the house for a score of years. No good result will ensue from the appointment of this committee and the question would remain unsettled.

I am quite aware that my hon. friend, the member for Berthier-Maskinongé is sincere in his endeavours; I do not question his good intentions. However, I fully know that the fact of referring a question to a committee is the usual way of side tracking it. I quite understand that if a first-class funeral is contemplated for an embarrassing question, a committee of the house is appointed to study the matter. I am aware of my hon. friend's intentions and the object he has in mind, nevertheless the only practical result of his motion, if adopted, will be to postpone the question; it will once more be sidetracked and buried. What we want, is not the study of a question already under consider-

ation for a score of years, it is not more light on a subject which has often been discussed in the house, what we want is action, the settling of this question, once for all, so that nothing more will be heard about it. We demand the acknowledgment of the principle that Canada is a bilingual country, and that the act which governs our metal currency and notes being, by virtue of our constitution, printed and promulgated in both languages, our currency must necessarily also be stamped or printed in the two languages.

When this question is settled, once for all, nothing further will be heard about it, we shall have peace and harmony which my hon. friend mentioned just now. The best way of obtaining peace, order and harmony in this country, is by respecting the rights and privileges of all citizens. To my mind, it is not requesting too much to claim that the French language, one of the two official languages of this country, should appear on such an official document as our currency. Therefore, sir, so as to prevent that this motion be adjourned or again side-tracked, I move, seconded by the hon. member for Laurier-Outremont (Mr. Mercier) the following amendment to the resolution of the hon. member for Berthier-Maskinongé:

> That the resolution be amended by striking out all the words after "be" in the third line and substituting in place thereof: "settled once for all and that the government should immediately take the necessary steps to conform itself to our constitution in this respect."

I have but little to add to what the hon. member for Berthier-Maskinongé has stated just now as to the merit of the question, or to what was said last year in the house by my hon. friend the Solicitor General (Mr. Dupré).

Bilingual currency is not an extraordinary departure, it exists in half the countries of the world. In Switzerland the money is struck in the three official languages of the country, in Italian, French and German; the currency is bilingual in Belgium, while in India, Ceylon, the Dutch Indies, Tunis, Indo China, Nigeria, in short, I might say, in half the countries of the world they have bilingual currencies. Even in Japan and certain provinces of China, currency is bilingual, not because those countries are bilingual, but in order to accommodate every one. Money is stamped both in English and Japanese, in Japan, and in Chinese and English in certain provinces of China.

For all these reasons, I move the amendment I have just read.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, at the outset of my remarks may I say that it is my intention to make them as dispassionate and to remain as cool headed as I possibly can. In my opinion, however, there are some truths that must be told, and I intend to tell them.

When my hon. friend from Berthier-Maskinonge (Mr. Barrette) prepared this motion, and I think before he sent it to the clerk of the house, he was kind enough to write and ask me if I would like my name to appear as the mover. I declined, but when he asked me to second the resolution I gladly accepted. May I say that one of my principal reasons for refusing to move the resolution was that I have lived long enough to have a certain knowledge of human nature, and I knew full well that if I moved the resolution my motives and intentions would be misinterpreted. On the other hand, due to what has taken place in the house since I made my remarks on this question last year, and due also to what has happened outside of this chamber, I was very glad to have the opportunity to say a word or two in this connection.

I said just a moment ago, Mr. Speaker, that I knew that if I moved the resolution my intentions would be misinterpreted. I may add that in a great many cases the intentions of public men are more or less suspected, and in my opinion there are many reasons for that state of affairs. To my mind there is no doubt that the deeds of a few public men in the past have had something to do with the spread of this sentiment among the people, and it may very well be that the party press have had a good deal to do with it also. I do believe, however, that the politicians themselves have had a great deal to do with it. I do not mean to say that they have been deceiving the public, but they have brought about that attitude by their lack of sincerity on public matters. I hold in my hand a newspaper containing a letter or an article written by an hon. member of this house.

Mr. BOULANGER: What newspaper is that?

Mr. GOBEIL: It was copied by several newspapers; the one I have is Le Devoir of November 9. The article was written by the deputy speaker of this house, the hon. member for Montmagny (Mr. LaVergne), and is entitled Le Rouge et le Bleu, or the Red and the Blue. Time will not permit me to read

this article, but anyone reading it must arrive at the conclusion that since confederation French Canadian public men in the province of Quebec have betrayed their nationality and their race. I want to protest against this suggestion, because I do not think it is borne out by the facts. I do not believe our public men coming from the province of Quebec have been traitors to their race; I believe they have done their best. I know they have not been able to attain their desires in all ways, but it is very regrettable that such statements as are made in this article should be made by a public man of our province.

Mr. VENIOT: What is the statement? Would the hon. gentleman read it?

Mr. GOBEIL: No, it is too long. Anyone can read it. I am not blaming the newspaper; the article appeared in several newspapers in the province of Quebec.

Mr. VENIOT: I do not wish to interrupt the hon. gentleman, but having referred to that article I think he should read the statement which he says was made by an hon. member of this house.

Mr. GOBEIL: I want to illustrate what I have just said, Mr. Speaker, by a quotation I gave last year when I spoke on the bilingual resolution. I reminded the house of the remarks made by Sir Wilfrid Laurier in 1907. Speaking on February 27 of last year I quoted Sir Wilfrid Laurier as follows:

> But I must protest against the idea that because bank notes are not printed in French as well as English, one can state that the French language is not on a footing of equality with the English.
>
> We have our rights and we should exercise them when it is our interest to do so, but I do not think we should be pedantic and insist that on every occasion the French language should be spoken.

Permit me, Mr. Speaker, to add to this another paragraph of Sir Wilfrid Laurier's speech.

Mr. DUPUIS: Would the hon. member allow me a question?

The ACTING SPEAKER (Mr. Morand): Order.

Mr. DUPUIS: Would the hon. member allow me just a question?

Mr. GOBEIL: I am sorry, but I have not time. If the hon. member wishes to speak he will have an opportunity.

Mr. DUPUIS: What is that quotation from?

Mr. GOBEIL: It is a quotation from a speech by Sir Wilfrid Laurier delivered in the House of Commons on February 25, 1907. He continued:

> But to affirm, as he does—
>
> Referring to the hon. member for Montmagny.
>
> —that the French language should be used upon every occasion, and that every public document should be printed on one side in French and the other side in English, is, I think, going a little too far. For instance, I understand that my hon. friend wants bank notes to be printed either in French or in English. For my part I never yet saw an occasion where a bank note printed in English was not properly understood by the French people; and I am quite sure that a bank note printed in French would be understood by the English people to be exactly what it means. But I see no reason why a bank note should not be printed in French.

At the end of his remarks, Sir Wilfrid Laurier moved the following amendment:

> That all the words after "that" be struck out and the following be substituted in place thereof:
>
> "The French language is, in fact, as well as by the constitution, on a footing of equality with the English language."

When last year I quoted these words from Sir Wilfrid Laurier I asked hon. members opposite to rise from their seats and tell this House of Commons, tell the province of Quebec and tell the country, whether Sir Wilfrid Laurier was a traitor to his nationality when he used those words. I wonder, Mr. Speaker, what would have happened last year to the humble member for Compton, or, for that matter, to any hon. member on this side of the house, if we had made a declaration of that kind. If I am to judge by what the hon. member for Ottawa (Mr. Chevrier) said, when he spoke after me last year, I think I should probably have been lynched, had I made such a declaration, I well remember what I said; I pronounced myself in favour of the motion. I did not believe that at the time it was wise for this chamber to vote on the matter, and I have not changed my opinion. I still believe it is not a wise move to have a vote on this matter.

Referring to me the hon. member for Ottawa said:

> It would have been better for this gentleman if he had never seen light.

Mr. Speaker, what would have been my fate if I had made a declaration such as Sir Wilfrid Laurier made in 1907? Was Sir Wilfrid Laurier a traitor? I am sorry to say that not one member opposite had courage to rise and vindicate the memory of his leader—not one of them, not even the hon. member for Quebec East (Mr. Lapointe) who is not in his seat to-day. I say he should be

in the house because he knew this motion was coming up for consideration. Not even the hon. member for Quebec East had the courage to rise and state in this chamber whether or not he believed Sir Wilfrid Laurier was or was not a traitor.

Let me tell the house what I think—and I am doing this to illustrate a point I made a few minutes ago: I consider Sir Wilfrid Laurier was not a traitor to his nationality when he made that declaration. But, knowing what he knew and knowing that it was not possible for him to give bilingual currency at the time, he had the courage to get up and to state, not the reasons why he could not do it —because he was then Prime Minister—but to make the declaration to which I have referred. I think we as French Canadians should not consider that man a traitor to his nationality and to his race who, while leader of his party, made this declaration.

Let us come a little nearer to the year 1933, which we have been discussing. May I remind hon. members of what happened in 1929? In 1929 the contract for the printing of Canadian currency, Canadian bank notes, had to be renewed. Every hon. member in this chamber knows the party which at that time held office. Accidentally or otherwise,— I am not in a position to say—during the six months preceding the renewal of the contract 348 petitions were sent from every corner of this dominion to the Minister of Finance asking for bilingual currency. What happened, Mr. Speaker? The contract was renewed. At that time hon. members from the province of Quebec were on this side of the house, but not one of them said a word; not one raised his voice. Even the hon. member for Quebec East, who was the leader of the members from that province, and acted as their tactician, did not see fit to raise his voice in answer to those petitions.

Mr. GOTT: Not even the hon. member for Temiscouata.

Mr. GOBEIL: No, not one of them. I want to be fair to hon. gentlemen opposite. I do not even blame them; I do not blame them because they did not give this country bilingual currency. I feel certain they did not do it because they could not do it. I know my hon. friends opposite well enough to know that they love their nationality and their language, and if it had been possible to convince the present leader of the opposition (Mr. Mackenzie King) the then Prime Minister, to give bilingual currency to Canada, they would have done it. But they could not do it, and I could not blame them for that. What I do blame them for, however, is their lack of sincerity when, in 1933, they came to this House of Commons and moved a resolution such as that which stood in the name of the hon. member for Bellechasse (Mr. Boulanger). The position hon. members opposite took last year has given the public the impression that they cannot rely upon their representatives in the House of Commons.

As I said at the beginning I do not wish to be unfair. I do believe however that there are some truths which should be told, and I intend to tell them. I wish to make a very definite statement, or accusation, if you choose to use that word—I will use the word statement. I want to say that the Liberal party of the province of Quebec, headed by the hon. member for Quebec East, last year induced the hon. member for Bellechasse to move his resolution for no other purpose than to derive political advantage.

Mr. BOULANGER: I rise to a point of order, Mr. Speaker. It is a very well known rule of the house that an hon. member has no right to impute motives to another hon. member, and I would ask that the hon. member for Compton (Mr. Gobeil) withdraw the statement he has just made.

Mr. GOBEIL: I have no objection at all, Mr. Speaker, I will put it in another way.

Mr. BOULANGER: No, Mr. Speaker. He must withdraw it entirely.

Mr. GOBEIL: I withdraw it with pleasure. Let me give the house an example of the sincerity of hon. gentlemen opposite. Did they know or did they not know that the contract was going to be renewed in 1929? Did they know that a central bank was coming sooner or later? I accuse the Liberal party of the province of Quebec, and more particularly the hon. member for Quebec East, because he is their leader, of moving the resolution last year for no other purpose than to place the government of the day in the position of having to face an adverse vote of the house so that the government could not put into effect what they failed to do in 1929.

Mr. BOULANGER: Mr. Speaker, I make the same objection to that remark.

Mr. GOBEIL: Mr. Speaker, I had this information from a very reliable source when I spoke last year, but I did not want to use it because I wanted to give hon. gentlemen opposite a chance to vindicate their position and to vindicate their leader. Does the house want additional proof? All that hon. members have to do is to read the speech made by the hon. member for Bellechasse. Here is an hon. member of this house who comes

before this chamber and asks its members to support his motion, and he cannot finish his speech without insulting them.

Mr. BOULANGER: My speech is in Hansard and it speaks for itself, and the hon. member for Compton has no right to put any such construction upon my words. I would ask you, Mr. Speaker, to ask him to withdraw.

Mr. GOBEIL: My hon. friend from Bellechasse is not the one to decide whether his speech was offensive. I say that every member on this side or on the other side of the house who did not believe as he did and who did not belong to the same race as he did felt himself insulted, whether the hon. member for Bellechasse meant it or not. As he very well said, his speech speaks for itself.

My hon. friends opposite like very much to pose as champions of the rights of the French race and of the French language, and sometimes even of the Catholic church. Let me suggest to them that if they have at heart, as they claim, the interests of the French race, there are other fields of activity where they can exercise their energy to much better advantage for their race than on this question of whether or not we shall have bilingual currency in 1933, 1934 or 1940. When I say 1933 or 1940, I say it for a purpose.

May I address myself for a moment more particularly to my English speaking colleagues of this house? It is hardly necessary for me to say to the house that I am no lawyer. We have had lots of talk this year and last year about the British North America Act in connection with this matter. Some people claim that according to that act we have the legal right to have bilingual currency in this country, while others claim that we have not. I do not care that about the British North America Act.

Some hon. MEMBERS: Oh, oh.

Mr. GOBEIL: I simply appeal to common sense. I look at this question in a common sense way. Here we are a country of ten million people, over three million of whom are of the French Canadian race. Those are the facts whether we have a right to bilingualism or not. I do not suspect for one minute that my English speaking friends are going to start a crusade and have all French Canadians slaughtered to get rid of them—not for one minute—and I am equally sure that the French Canadians have not the slightest thought of doing that to their English speaking compatriots. I am simply saying that, whether we like it or not, in this country of ten million people, over three million are of the French Canadian race, and in my opinion, Mr. Speaker, this is a bilingual country and will remain a bilingual country for years to come. We have, it seems to me, certain rights over other minorities that might exist in this country because we are the first inhabitants of its soil. So why not make this country a real bilingual country? I think it would be to the advantage of all of us to have this country recognized as a bilingual country. As Sir Wilfrid Laurier so well said, where is the French Canadian who objects to an English two-dollar bill? And where is the English speaking Canadian in this chamber or outside who would object to a Dominion of Canada bill printed in French? There is not one I am sure, and so I appeal to our English speaking friends on both sides of the house, and ask them to accede to the wish of one-third of the population of this country and give the French Canadians bilingual bills, if you like, although I do not care to mention bilingual bills particularly. Rather I say let us make this country a real bilingual country because it is bound to remain so for generations and generations to come.

My time is flying, Mr. Speaker, and as I can speak faster in French I will conclude my remarks in that language.

(Translation): I was stating, sir, that if hon. members opposite have truly at heart the interest of their race or nationality, there are for them matters of greater importance than this question of bilingual currency which will come up and is bound to come up in the near future.

Mr. POULIOT (Translation): If this question is of minor importance why do you second the motion.

Mr. GOBEIL (Translation): I would suggest to them, sir, if they are so anxious to work in the interest of their race, to travel down in groups to Quebec, so as to request the government of that province to see that the chairman of the two most important committees of the Legislative Assembly be French Canadians instead of being Jews; in the only Catholic province of Canada, as the Hon. Mr. Taschereau delights in calling it.

Mr. DUMAINE (Translation): That has nothing to do with the question.

Mr. GOBEIL (Translation): I would request them to use their influence with the Quebec government so that the latter may set aside for the citizens of that province what is left of our natural resources.

Mr. DUMAINE (Translation): That is irrelevant.

Mr. GOBEIL (Translation): —instead of continuing to alienate them to give them away for a pottage of lentils.

Mr. DUPUIS (Translation): Who is the lunatic (aliéné)?

Mr. GOBEIL (Translation): If the Quebec government, sir, had had at heart the interests of the Quebec people, if our friends had at heart the interests of their fellow-citizens, what good work they could have accomplished! Instead of allowing the names of cabinet ministers of that province to appear on the prospectus of fraudulent companies which exploit the farming class, making use as they do of the names of these ministers to palm off worthless shares, the government of my province should have directed the small savings of our people towards such sound investments as our natural resources. If these hon. gentlemen are so anxious, let them show it by working in the interest of their race; I would advise them to go to Montreal—

An hon. MEMBER (Translation): We shall pay a visit to the people of Compton at the next election.

Mr. GOBEIL (Translation): —in order to interview the administrators of the university of Montreal—I mean the lay administrators, not the church authorities, who were made ushers, but the lay administrators themselves, or liberal laymen in charge—so as to use their influence to induce them to expel from the university the anti-jewish element which is contaminating our young men.

Mr. BOURASSA (Translation): The anti-jewish element, hear, hear!

Mr. GOBEIL (Translation): Let them expel from the university the professors who are atheists, those who have no god and who take upon themselves to educate and form the minds of our youth.

Mr. POULIOT (Translation): You are an expert on jam, but when it comes to poetry you are a failure!

Mr. GOBEIL (Translation): My hon. friend, reminds me—

Mr. DUPUIS (Translation): You had better not speak about it. You will get all muddled up.

Mr. GOBEIL (Translation): My hon. friend reminds me of a fable of Lafontaine: An old cunning fox having had the misfortune of losing his tail in a trap, gathered all the foxes of the surrounding country and, with his back turned to the wall, made them a splendid speech so as to persuade them to dispense with that appendix which, in his opinion, only served to sweep the dust of roads.

Mr. POULIOT (Translation): You do not like foxes because they do not feed on jam, they are not clients of your brother.

Mr. GOBEIL (Translation): The hon. member has never expressed his views on the bilingual question and he would like to see his fellow-citizens do likewise.

An hon. MEMBER (Translation): He never speaks!

Mr. POULIOT (Translation): We were ready to vote and you have prevented us.

Mr. GOBEIL (Translation): Had I a suggestion to make to the hon. member, it would be that he should study this fable of Lafontaine and ponder over the fate of this poor fox when his congeners noticed that he had lost his tail.

An hon. MEMBER (Translation): Oh! Oh!

Mr. GOBEIL (Translation): I would request you, sir, to maintain order, if you please.

(Text) The ACTING SPEAKER (Mr. Morand): Order!

Mr. GOBEIL (Translation): I am aware, sir, that I have shocked a few in my remarks. I heard certain comments, made by my hon. friends opposite, that this had nothing to do with the question. I beg to differ. I contend that the reason set forth by our hon. friends toward proceeding with last year's motion, was the interest they display on behalf of the people of their province; however, I can show that there are other problems than that of bilingual currency in which they can be of more service to their fellow citizens. I appeal to the educated class, to professional men, on both sides of the house, and I ask them if, frankly, they have well fulfilled their duty as citizens, they that have the task, as the elite of the people, to guide public opinion in Quebec.

May I quote, sir, a small excerpt from Cardinal Villeneuve's speech delivered a few days ago in Montreal.

It is as follows:

Gentlemen, our universities must raise the level of their religious teaching. The various faculties should be replete with it for the sake of Catholic dignity and elementary logic. Have we Catholic universities where students may graduate as lawyers or physicians, just as they would graduate elsewhere, yes or no?

I think, what I request, sir, from professional men in this house, is only rational. I state that it is incumbent on our universities, on the university of Montreal to prepare our young men for their future callings, and if our country is to emerge from this crisis without the convulsions experienced by other countries, it will be due to the Christian spirit, religious spirit and common sense taught to our youth. Is it rational, reasonable and fair to send our young men of 14, 15, to 20 years, to an institution where they are contaminated by anti-Christian, and anti-French Canadian surroundings—

An hon. MEMBER (Translation): Where?

An hon. MEMBER (Translation): In what institution?

Mr. GOBEIL (Translation): At the university of Montreal—and where professors, I repeat it, atheist professors, anti-religious professors are permitted to give their lectures.

Mr. ST-PERE (Translation): Are there professors who are atheists in the university of Montreal?

Mr. GOBEIL (Translation): Yes, there are.

Mr. ST-PERE (Translation): Name them.

Mr. GOBEIL (Translation): It is unnecessary to name them, they are well known.

This bilingual question is very interesting, indeed, to us French Canadians, however, there are other spheres where we can be more useful and render better services, because bilingual currency will come sooner or later, but better soon than later.

I have myself a son who attended lectures at the university; I also have another who will probably attend them in a few years.

Mr. FERLAND (Translation): Has he come out contaminated?

Mr. GOBEIL (Translation): No he did not, because I did not send him to the university of Montreal. I would not care to send him there nor shall I send him there, unless things change.

Mr. MERCIER (St. Henri), (Translation): Where did you send him to the Swiss school?

Mr. GOBEIL (Translation): Laval university, in Quebec.

This, sir, practically closes the remarks that I intended to make on the motion of the hon. member for Berthier-Maskinongé (Mr. Barrette). I did not dwell very much on the merit of the motion itself, as to whether it will settle the problem or not. I must frankly confess that I am not fully convinced that this resolution will be the means of establishing a bilingual currency or preventing it.

Mr. POULIOT (Translation): Is that why you seconded the motion?

Mr. GOBEIL (Translation): I seconded the motion, sir, because I wished to show to my province—

Mr. POULIOT (Translation): Dirt thrown on the university of Montreal!

Mr. GOBEIL (Translation): —the insincerity of the position taken by members of the opposition on this question.

An hon. MEMBER (Translation): It is a pity if you are in earnest.

Mr. GOBEIL (Translation): I stated that I was not fully convinced that this resolution would give the country a bilingual currency. I am convinced, however, that we shall have it without this motion; I moreover think that this bilingual currency would come even if the motion of the hon. member for Bellechasse had not been introduced last year.

So as not to question, sir, the sincerity of the hon. member for Berthier-Maskinongé—and I neither question it—I shall support this resolution if a vote is asked, although as I have just stated, I am not quite convinced that it will improve matters. As an hon. member opposite has just asked why I spoke on this motion, I shall state that I wanted to make clear the attitude I took last year, when a vote was taken on this question; furthermore, that I have not since changed my views and that I think, as I then thought, that the house should not be called upon to vote on this question.

Mr. J. A. MERCIER (Laurier-Outremont): Mr. Speaker, I had no intention of taking part in this debate but when the hon. member for Bellechasse (Mr. Boulanger) put my name to his amendment, it necessarily fell to my lot to say a word or two. After the remarks of the hon. member for Compton (Mr. Gobeil) it became more incumbent on me or some hon. member on this side of the house to say something. The hon. gentleman who preceded me stated his remarks in a very benign manner and although he did not make himself absolutely clear as to his intentions in connection with the motion before the house, I think we can take it that he is in favour of a bilingual currency in this country. We on this side are in favour of such a currency, not as a matter of begging but as a matter of right.

There is a certain fact which is so self-evident that I hardly think I need mention it to hon. members, but for the sake of my argument I refer hon. members to section 133 of the British North America Act. This section recognizes the fact that there are two

languages in this country and states that either the English or the French language may be used in the debates of the houses of parliament as well as in the houses of the legislature of the province of Quebec. This section likewise recognizes the right to the use of both official languages in the records and journals of parliament. Under this section it is also given to the people of Canada to plead before the courts of the country in the language in which they are accustomed to express themselves.

The hon. member for Compton sidestepped the issue when he went back to that state of mind for which he is well known and attempted to abuse hon. members on this side for certain happenings last year. If the house will remember, the hon. member for Bellechasse moved a motion asking this house to decide that it was the right of a certain section of the Canadian population to have a bilingual currency. After a protracted discussion the hon. member for Compton moved a motion to give the resolution of the hon. member for Bellechasse the six months' hoist.

Some hon. MEMBERS: No.

Mr. MERCIER (Laurier-Outremont): I stand corrected. His motion was that the debate be adjourned, and later the debate went on and the question was talked out. Now this year the hon. member for Berthier-Maskinonge, whether he recognizes the principle of the resolution or not, comes forward with a resolution to the effect that this question should be submitted to a special committee consisting of certain hon. members. Well, we say that either this question is worthy of consideration or it is not. I have just said that the French language is recognized under the British North America Act, and we well remember that under the previous administration the same difficulties arose that are arising here to-night. When the hon. gentleman who occupied the portfolio of Postmaster General at that time brought down a resolution to have the stamps of Canada printed in both languages, there was a great deal of talk over this resolution but it went through, and I ask any hon. member in this chamber whether anyone was done any harm by the fact that the stamps of the country were printed in both languages. In asking Canada to accept stamps and currency in both languages, I would say to you, Mr. Speaker, that if it took away a right from any individual in Canada, or called upon any individual in Canada to do something that might be detrimental to him, then a resolution along those lines should not be supported. But the bilingualism of the stamps in this country has done no harm to anyone. The hue and cry raised at that time has died down; the good sense of the Canadian people recognizes that no harm was done anyone, and no one objects now to having the stamps of the country printed in both official languages. The same question comes up at this time. What harm could be done anyone? Where will anyone be deprived of a right inherent in him as a Canadian citizen if our currency is stamped or printed in both languages? No difficulty was found in adapting the new issue of stamps to the needs of the country, and there will be no difficulty in adapting the currency on the lines of the resolution presented by the hon. member for Bellechasse last year, and on the lines as will be approved by the hon. member for Berthier-Maskinonge, because I am sure he is in favour of that, and on the lines approved by the hon. member for Compton in what he said.

If the hon. member for Compton had stopped when he said that he could not see why anyone should object to having the currency of the country made bilingual, he would have met with the approval of the house. But he went off at a tangent that was not worthy of a member of the house, when he brought up—

Mr. BENNETT: That must be withdrawn.

Mr. SPEAKER: I must ask the hon. member to withdraw those words with reference to the hon. member for Compton.

Mr. MERCIER (Laurier-Outremont): I necessarily bow to your ruling, Mr. Speaker, but I say that it was with the greatest surprise and the greatest sorrow that we listened to the last remarks made by the hon. member for Compton, who got away from the issue and brought up matters absolutely foreign to the debate, without being called upon by the chair to stick to the question. I think that the remarks of the hon. gentleman—and I am speaking of those remarks he made in French at the end of his speech—should be brought to the attention of the house and of the country. The hon. member, leaving aside the merits of the resolution, said that we on this side could have used our activities for more meritorious purposes than asking that this right which is ours should be recognized by the house. He said we could find a better use for our activities by going into the province of Quebec and blaming the Quebec government for the fact that the legislature of that province named as chairmen on some of its most important committees persons who

were of Jewish nationality. I have no mandate to defend the government of the province of Quebec, but the members of the legislature of Quebec, the same as the members of this House of Commons, have rights there whatever their nationality may be, and if the government and the legislature of the province of Quebec see fit to name as chairmen of their committees people who are not of the two great nationalities of this country, it is no affair of ours and it is no affair of the hon member for Compton. The hon. gentleman went further and said that if we wanted to use our activities in the proper channel we should blame the Quebec government for having allowed ministers of that government to have their names appear on the prospectuses of fraudulent companies.

I repeat, I have no mandate to defend the government of the province of Quebec. It has been at the head of the administration of that province for thirty-four years. Election after election has taken place in that province and time after time the people have given their stamp of approval to the existence and the acts of that government.

The hon. gentleman goes further. He comes into this house to wash linen that may not be clean in the eyes of some, and to discuss matters that should not have been brought before the house. He spoke to us about the university of Montreal. We citizens of Montreal and of the province of Quebec regret the situation that exists there, but we say that the hon. member was absolutely wrong in his statement when he said that it was wrong for the people of Quebec to send their children to that university and put them in a milieu which was anti-Christian in its nature, where professors of atheistic views teach the youth of this country. I ask what has that to do with the resolution under consideration? I say the hon. member should have been called to order.

Mr. GOBEIL: It has a lot to do with it.

Mr. MERCIER (Laurier-Outremont): The question is whether or not the house is going to adopt a resolution asking that our currency be stamped or printed in both languages; it does not matter what happened in the university of Montreal or what happened in the legislature of the province of Quebec. I say with all due respect that this resolution asks only for a right to which the minority in this country is entitled. Granting that right will do harm to no one, will deprive no one of any of his privileges. So when the hon. member for Bellechasse asked me to second his motion, Mr. Speaker, I did so with the greatest of pleasure.

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, I had prepared a few notes with reference to the resolution of the hon. member for Berthier-Maskinongé (Mr. Barrette); however, as I notice it is 10.25 p.m., I think the best thing I can do so as not to delay the vote on the amendment moved by the hon. member for Bellechasse (Mr. Boulanger), is to sit down and thus allow enough time for the house to decide the issue.

Mr. POULIOT: Regina will come next.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I do not know what prescience my hon. friend who has just spoken possesses, but he probably is aware of some arrangement of which I know nothing.

My attention was attracted by the speech of the hon. member (Mr. Mercier) who has just sat down. He has said that this resolution is asking for what is a matter of right under the British North America Act. It is quite true that section 91 of that act commits to the exclusive legislative jurisdiction of the parliament of Canada the subject of currency and coinage. But turning to section 133, to which my hon. friend was referring, one sees that if from the first section I have named any deduction were to be drawn as to the resolution now before the house, the matter in question is governed by section 133, which clearly and expressly sets forth the position in regard to language in this country. Section 133, which my hon. friend did not read, is as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

I do not ask the house to accept my opinion as one on which the subject is to be decided; but it does seem to me that you have in that section a clear definition of the occasions on which the different languages may be used. It is directed to the use of the two languages not only in the courts and houses of parliament of Canada and legislature of Quebec but also in the respective records and journals of those houses and in pleading or process in the courts. And lest it be thought that perhaps printing might include something in the na-

ture of coinage, I draw your attention, Mr. Speaker, to the second paragraph of the section I have just read:

> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

That is, it is confined, as far as printing is mentioned, to the acts of the legislature of the province of Quebec and the parliament of Canada.

That act, Mr. Speaker, is almost a legislative bargain; it was at all events the result of an agreement arrived at in the year 1867 between elements that perhaps at times were rather in conflict. It is not an act with which all the people in my province are satisfied. But it is an act under which people in my province have lived and acted and carried on their business and affairs, political or otherwise, not because they liked it in some instances, but because they had said they would do it, and they proposed to stick with their bargain and follow the provisions of this act.

I must say that last year the hon. member for Bellechasse (Mr. Boulanger) did not approach this subject in a way calculated to induce that friendly feeling which we think should obtain amongst us, because at the beginning of his address and at the end of it he used language of a highly provocative nature, language which I resented at the time but of which I did not think I should take notice. It seemed to me that I should almost lower myself by taking advantage of the opportunity then afforded to me and expressing resentment of it in words. The hon. gentleman, opening his speech at that time—the hon. member for Compton (Mr. Gobeil) referred to it, and I have here a copy of the speech—said he had hopes of convincing people whom he described in very laudatory terms but he had no hope of convincing ignorant or bigoted or silly people. Surely, Mr. Speaker, there is room in all kindliness, in all confraternity, for differences of opinion; but to describe those who venture to differ from the hon. gentleman by such words as those was, as I say, provocative rather than conciliatory, and did not tend, had we chosen to take it that way, to promote the good feeling of the debate. Then he ended by addressing hon. members of this house, if you please, as "hare brained people of the Orange Order, who have brought into this free and peaceful country the narrow and ignorant fanaticism of foreign countries." I took no notice of it; neither did any other hon. member of the house that I know of, but I draw attention to it now because the hon. gentleman spoke of it, and I say it is not conciliatory language, not the kind of language to address to any hon. member of this house. Yet the hon. member closed his speech upon the resolution by using just those words.

The hon. member for Laurier-Outremont (Mr. Mercier) says it is provided in the British North America Act that there should be this use of the two languages. If it were so I would not be one to raise a finger against it. I might dislike it intensely—I do not as a matter of fact—but I would not raise my hand or my voice in gesture or whisper against what is the law, much as I or as anyone might feel that he was opposed to it. But then my friends say: "Be agreeable; give us a concession". They treat it as though it were something we should agree to and hand to them. But, Mr. Speaker, I am not warranted in doing that. I respect the opinions of the hon. gentlemen who have spoken on this resolution on the other side of the house; as far as I understood them I respect entirely the views they express. I acknowledge that they are held in all sincerity and that they are entitled to express them; to their love of race credit is to be given. But I say to them: Give me credit also for the same thing; give me credit for honesty and sincerity in holding my view; do not ascribe to me fanaticism or improper motives. Let us agree with one another that no concession outside of the act is warranted. The people I represent do not want and have not authorized me to give a concession, to go outside the terms of the bargain that was entered into in 1867 and under which we have lived. I do not think my hon. friend should ascribe to any desire to be disagreeable my inability to enter into such concession-giving. God knows I like to be agreeable as well as any man in the world, but the people who have sent me here are entitled to have me represent their views as best I can, so I do not believe I am warranted in going outside the act or in giving concessions. It is not my privilege it is not my duty.

Mr. VENIOT: Will the hon. gentleman allow me to interrupt a moment? The French people are not asking for concessions. Deal with it on the ground that we are asking it as a matter of right.

Mr. GEARY: If that is the point at issue, well and good, but I did not understand that to be the view of all hon. members. Certainly it was not the view of the hon. member who introduced the resolution last year, and it was not the view expressed by different speakers this evening or when the matter last came up for discussion. So I feel that I must carry out my duty, despite the cries of my hon. friends opposite who derided me when I

rose to speak. Perhaps that was only a natural ebullition of spirit, and perhaps I should not pay too much attention to it, but whether one likes it or not that is the feeling one has. That is why I am bound to take the position I have expressed.

Mr. JEAN-FRANÇOIS POULIOT (Temiscuoata): Mr. Speaker, I have just one question to ask some hon. gentlemen. I will ask my good friend the Solicitor General (Mr. Dupré), my good friend the Minister of Marine (Mr. Duranleau), the hon. member for Three Rivers-St. Maurice (Mr. Bourgeois), the hon. member for Lake St. John (Mr. Duguay), the hon. member for Dorchester (Mr. Gagnon), the hon. member for Jacques Cartier (Mr. Laurin), the hon. member for Richmond-Wolfe (Mr. Laflèche), the hon. member for Berthier-Maskinongé (Mr. Barrette), my hon. friend from Shefford (Mr. Tétreault), my hon. friend from Champlain (Mr. Baribeau), my hon. friend from St. Ann (Mr. Sullivan)—

Mr. SULLIVAN: I am going to vote for the amendment.

Mr. POULIOT: That is not my question; let me finish. I will ask my hon. friend from Mount Royal (Mr. White), that dear old gentleman whom we all like; I ask them all if they approve of the speech delivered this evening by the hon. member for Compton (Mr. Gobeil), in which he said that one of his children had been contaminated in the university of Montreal.

Mr. GOBEIL: On a point of order, Mr. Speaker, I never said that.

Mr. POULIOT: It was said in French, and I repeat it now in English in order to secure an explanation.

Mr. GOBEIL: I never said it.

Mr. POULIOT: He said he had not been contaminated because he had not been sent to Montreal university.

Mr. GOBEIL: Yes.

Mr. POULIOT: That is what he said; there may be a little difference in the words but the meaning is the same. I ask all the hon. gentlemen I have named to be courageous enough to answer my question yes or no.

Mr. GOBEIL: I spoke for myself.

Mr. POULIOT: I ask the hon. member for Long Lake (Mr. Cowan); I ask the hon. member for Regina (Mr. Turnbull), who prevented a vote last year by his speech at the last moment—and he a member of the Ku Klux Klan—when we on this side of the house asked for a chance to vote. I ask them if they support the words of the hon. member for Compton. Sir, this is political propaganda which is brought once more to the House of Commons in order to create prejudice among the different races in this country.

Now, sir, I shall conclude my speech. I know that none of these hon. gentlemen will answer my question. No member from the province of Quebec and no member belonging to the Ku Klux Klan will answer my question, though I give them an opportunity to state their position.

Mr. JOHN A. SULLIVAN (St. Ann): Mr. Speaker, I have not spoken in this house very often. I am a graduate of Montreal university; my son, a lawyer, graduated from the same university, and I am quite sure my hon. friend from Compton (Mr. Gobeil) went beyond what he intended to say when he stated that he would not send his son to the university of Montreal. I am sure that was not his meaning, because we on this side of the house believe that the university of Montreal is certainly worthy of the French Canadian race, of the province of Quebec and of Canada.

I want to add just a few words. My hon. friend from South Toronto (Mr. Geary) said the British North America Act did not give us the right to have bilingual currency in Canada. Possibly this is true in the strict letter of the law, but at the present time everyone is asking for an amendment to the British North America Act. This government can do anything it wishes except change a man into a woman. If this right does not exist under the British North America Act, I ask the house to pass a resolution asking for an amendment of that act so that we may have bilingual currency in this country.

In order to understand the situation we must study the history of Canada, which was ceded to Great Britain in 1763. The battle of the Plains of Abraham took place in 1759; Canada was surrended in 1760, and finally the Treaty of Paris was signed in 1763. At that time there were sixty thousand French Canadians living in this country; in 1774 there were about one hundred thousand, while there were only five or six hundred English people in Canada. Sir Guy Carleton, later Lord Dorchester, one of the greatest men in history, certainly understood the situation. Sir Guy Carleton, governor of Canada, went to England and explained the situation in this country to the British parliament. It is one of the miracles of history that the British people, after having failed to keep in one community those of

their own race who had settled in what is now the United States, were given the rare chance, the great advantage, of establishing a foothold in this territory. I say without fear of contradiction, and history will prove my contention, that Lord Dorchester, by obtaining for Canada the Quebec Act of 1774, performed the greatest service that could have been performed for this country and the British Empire. That act gave to the French Canadians the right to follow their own religion and to be governed by their own civil laws; it gave the priests the right to exercise their ministry; and that act kept the French Canadians together when Canada was attacked by the United States. But for the Quebec Act of 1774 this country would belong to the United States, and there would be no British Empire.

I will conclude my remarks, sir, by addressing myself to every element in this chamber, French or English speaking Canadians, Roman Catholics and all other denominations. I ask only one thing: I ask every member of this house to read history and be inspired by it. If we want to keep this country united let us forget our differences; let us see that all races profit by our good and proper administration of the affairs of our country.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I beg the indulgence of the house for a few moments. First let me say, however, that in view of the fact that my hearing is not as good as it might be I did not hear everything said by the hon. member for Compton (Mr. Gobeil). Nevertheless, whatever his expression of opinion might have been, I feel I must dissociate myself from any criticism against the distinguished personnel of the university of Montreal for whom, in Quebec, irrespective of any party affiliations, we have nothing but the greatest admiration and respect.

Sometimes it is sickening and discouraging when, on occasions when French Canadians on both sides of the house ought to present a united front in order to appeal to the sense of justice of the majority of Canadians, we lose our time and discredit ourselves by hurling insults at each other and indulging in personalities which, on occasions, call for action by Mr. Speaker. We ought not to resurrect old party quarrels; as I have said, we ought to be united in asking from the majority in this House of Commons a recognition of the letter of the British North America Act and, if not the letter at least the spirit. Because, as has been said, sometimes when the letter is not clear the spirit vivifies.

[Mr. Sullivan.]

I must disapprove of the expression of opinion voiced to-night by the hon. member for South Toronto (Mr. Geary) who stated that he is not ready to make concessions. I think we ought to rise to higher ground. Listening to such statements from him I remembered that only on Saturday last, the day before yesterday, there was invited to the city of Quebec a distinguished educationalist from the university of Toronto, Mr. Dunlop, director of public relations, who appeared before the Canadian Club on Saturday afternoon and pleaded for cooperation between the Canadian races, and the recognition of the French language in Canada. He stated that in the university of Toronto lessons are given in the French language not only by distinguished French speaking professors from Canada but by professors from Paris. He stated that over the radio inter-university debates are being held in the French language between the university of Toronto and universities in the province of Quebec. He stated, further, that this week there would be a bilingual debate between the students of the university of Winnipeg, Manitoba, and those of Laval university at Quebec.

If we were basing our contentions only on the letter of the British North America Act, would we be on safe ground? I say yes, but I understand some people might say no. I repeat we ought not only to look at the letter of the contract, but we must also look at the spirit of it. Let us take inspiration from the eloquent words expressed in the Canadian House of Commons in 1890 by one of the greatest of the men who have led the Conservative party, Sir John A. Macdonald. His words are as follows:

> I have no accord with the desire expressed in certain quarters that by any mode whatever there should be an attempt made to oppress the one language or to make it inferior to the other.
>
> I believe that would be impossible if it were tried, and it would be foolish and wicked if it were possible. The statement that has been made so often that this is a conquered country is "a propose de rien." Whether it was conquered or ceded we have a constitution under which all British subjects are in a position of absolute equality, having equal rights of every kind, of language, of religion, of property, of person.
>
> There is no paramount race in this country. There is no conquered race in this country, we are all British subjects and those who are not English are none the less British subjects on that account.

Let us be inspired by the words of Sir John A. Macdonald; let us discuss and study the rights of the French language on a broad and higher plane. In that respect, Mr.

Speaker, I have no hesitation in saying that I shall gladly vote for the amendment moved by the hon. member for Bellechasse (Mr. Boulanger).

Some hon. MEMBERS: Question.

Some hon. MEMBERS: The same as last year.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, some comment has been made regarding the fact that I spoke on a similar motion a year ago. If I remember the circumstances correctly, we have spent at least ninety-five per cent of the time allotted to this debate in listening to hon. members from the province of Quebec, and it does seem strange if one English speaking person from the rest of Canada should not be allowed five or ten minutes to express his views, without being subjected to criticism. My hon. friends opposite say: Why should this matter have been talked out—as they call it—in 1933, when they were anxious to have a vote? Why was it necessary to wait until 1933 to have their great anxiety satisfied? Where were those hon. gentlemen between the years 1905 and 1911? Where were they and their predecessors in this house? Where were hon. gentlemen opposite and their predecessors between 1922 and 1929, if they were so anxious to have this legislation passed? Why did they wait until 1933 to bring the matter up?

If I have time I shall refer to some of the remarks made by their leaders, with respect to action hon. gentlemen have taken in the debate this evening and in that of last year. I want to say this, that so far as I could judge the debate this evening, with my limited knowledge of the French language—I shall read it to-morrow morning and get it more clearly—it seemed to me more like a political fight among members from the province of Quebec as to who would get the most kudos from the province of Quebec for raising this question. If there had been any great desire to have this legislation passed in days gone by, it would have been shown by the action of hon. members. I should like to place on record the action taken in 1905 by the Liberal party with respect to this very question. I am sorry the right hon. leader of the opposition (Mr. Mackenzie King) is not in his seat. It is a matter of comment that he has not been here this evening to listen to the debate. I am sorry also that the hon. member for Quebec East (Mr. Lapointe) who is said to be the champion of the French speaking people, is not in his seat to-night.

The matter was formally raised on May 21, 1905, and is reported at page 6826 of Hansard for that year. Further reference to the matter was made by the hon. member for Montmagny in the debate which took place in the session of 1906-7. I wish to place on record questions asked of the government of which Sir Wilfrid Laurier was leader, and which had his approval, or they would not have been placed on Hansard. The answers were given by Mr. W. S. Fielding, the then Minister of Finance. The questions are in these terms:

1. Do any grave reasons of state exist that might prevent the Minister of Finance from having the dominion one dollar and two dollar notes or all other bank notes printed simultaneously in English and French?

2. Are they unaware in the Finance department that the two languages are official in Canada?

3. Is it the intention of the Minister of Finance to rectify in the future this state of things by ordering that those bank notes be printed in both languages, English and French?

The answer by Mr. Fielding is as follows:

There is nothing in the British North America Act or in any act of the parliament of Canada which requires or contemplates the printing of dominion notes in two languages.

The Finance department has not contemplated the advisability of any departure from the practice which has existed under all governments from the beginning of confederation down to the present time.

That was the official statement of the Liberal party on this question in 1905. That position has not been departed from by the Liberal party in this house since then. No matter what hon. gentleman opposite may say in this debate here to-night, they cannot convince their own party that the answer given in 1905 was wrong. They cannot get the support of their own members on this question and they probably owe me a debt of gratitude for talking till eleven o'clock so that the rest of the party will not be put on record on this question to-night.

There is only one solution of this question, Mr. Speaker, and that is the solution that I think was suggested by the hon. member for Bellechasse (Mr. Boulanger) to-night, the resolution he might have suggested last year, and that is that the government of this country in the printing of bills, notes, currency and all these other departmental forms follow the constitution of this country and the British North America Act. If it is necessary to find out what the British North America Act means, there are ways and means of doing so. I maintain that whatever rights the French language has in this dominion there is not the right to have pieces of paper printed by this government with both French and English on it. There is the right to have the statutes printed in French; there is the right

to have the statutes printed in English, but there is no right to have a bilingual set of statutes. There may be a right under the act to have bills printed in French; there may be a right under the act to have bills printed in English; but there can be no two questions about it that there is no right under the act to have bills printed in both English and French—that is bilingual bills. I am prepared to go further and say with regard to postage stamps, to which my hon. friend referred, and other departmental forms, that there is no legal right under the act to have them printed in the two languages. You may have French stamps; you may have English stamps; you may have French post office forms, or you may have English post office forms; but you have no right under the act to have them printed in both the English and the French language.

Whatever the British North America Act says, whatever the rights are under that, when they are decided upon I am prepared to abide by them. If they say we are to have bilingual currency, well and good. I do not wish to take from the French people one single jot or tittle of what was given them by the British North America Act. There is my hon. friend from Dorchester (Mr. Gagnon) who says: We want concessions if the British North America Act does not give us enough. Then there is my hon. friend from Gloucester (Mr. Veniot) who says: No, we do not want any concessions; we only want what the act says. What are we to believe, Mr. Speaker, in regard to what they desire? Those are the two opinions that I heard expressed here during this debate.

Let me say that in speaking as I do tonight I am not one of those who were referred to in the debate a year ago by the hon. member for Bellechasse; I am not one of the bigoted class. I do not belong to the Orange order; I do not belong to the Ku Klux Klan; I do not belong to the Knights of Columbus, and I am not speaking as the representative of any one of them, I have the greatest admiration for them all, but I do not belong to any of them. I am speaking here as the member for the constituency of Regina, and expressing the views which the people of Regina would wish to have me express on this question which is before the house.

I have heard it said that the French language has rights in this country derived from treaties. I have looked at the Peace of Paris and at the terms of capitulation of

Quebec and at the terms of capitulation of Montreal, and there is not one word in any of those three documents with regard to the use by the French speaking people of the French language in this country. So whatever rights the language might have in this country do not depend at all upon the terms of treaties or the terms of capitulation, but must rest upon statutory laws subsequently created by competent authority. As I say, in standing by the terms of the constitution, in standing by the terms of the British North America Act, I am in good company.

And may I say that the feeling that exists in certain parts of Canada is not a feeling of resentment against the French language. In the province of Saskatchewan there is no person who would prohibit the use of the French language anywhere in the province by anyone who wants to use it. As a matter of fact, the provincial government is teaching the French language both by correspondence and by lessons over the radio in the province of Saskatchewan, and yet Saskatchewan has been represented as the enemy of the French people. We do object to being made to use the French language, and we do object, owing to acts of administration by the government of this country, not this government, but previous governments, and this government as well, I might add, to being compelled to use the French language when we desire to use the English. With regard to post office forms in Saskatchewan, for instance, a French postmaster may send into the central office and get post office forms printed wholly in French. An English postmaster cannot send into the central office and get forms printed wholly in English. He has to take them in the two languages. I ask hon. gentlemen opposite from Quebec if they think that is fair. Then they ask us for further concessions. I say it is not fair. I say along with the leaders of both parties for many years that I stand by the constitution, and I think that is the only solution of this question we will ever get that will be a reasonable solution.

I want to refer in the few moments that are left to me to a resolution which was passed by the government of Canada and the opposition combined on the eighteenth day of February, 1890, which will be found in Hansard of that year at pages 881 and 882. Part of the resolution is in these words:

That, on the contrary, this house declares its adherence to the said covenants—

That is, the covenants of the British North America Act:

—and its determination to resist any attempt to impair the same.

I stand in my place and say, as Sir John A. Macdonald said, as Sir Wilfrid Laurier said, as Sir John Thompson said, as the Hon. Edward Blake said, and as other great leaders of the Liberal party have said, that I adhere to the covenants of the British North America Act and to my determination to resist any attempt to impair them. That is the position I take here this evening.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, February 27, 1934

The house met at three o'clock.

PRICE SPREADS AND MASS BUYING

Mr. Stevens presented the second report of the special committee appointed to inquire into price spreads and mass buying and moved that the report be concurred in.

Motion agreed to.

RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 21, to amend the Railway Act (rates on grain).

Motion agreed to and bill read the first time.

CANNED SALMON EXPORTS

On the orders of the day:

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, I should like to take this opportunity of replying to a question put to me the other day by the hon. member for Comox-Alberni (Mr. Neill) in which he called into question the figures published in the Commercial Intelligence Journal and in the report of the bureau of statistics. The hon. member pointed out that in his opinion there were certain discrepancies as between those two sets of figures, and at page 916 of Hansard he said:

One can imagine how an exporter or importer would be deceived by figures like that,—

And further he states:

If it is not useful and if it is not accurate, what is left?

He invited me to look into the matter, which I have done, and in justice to the importance of the matter and the desirability that the public should be assured of the accuracy of published figures I desire to make a brief explanation which I think will clear up the whole matter to his entire satisfaction.

Briefly, the complaint was that in connection with the exports of canned salmon from Canada over quarterly periods, the figures of the dominion's exports did not agree with the figures of the British imports for the same period. The reasons are as follows: Exports to Great Britain going from the Pacific coast would take nearly a month to arrive in Great Britain, and it is quite understandable that a very substantial portion might be shipped from the Pacific coast in one quarter and not reach the British Isles until the next quarter. In the second place the imports in Great Britain are set forth in hundredweights of 112 pounds while exports from Canada are set forth in the Canadian standard of 100 pounds. If one will take the year 1933 it shows the following: Exports of canned salmon from Canada to Great Britain amounted to 11,151,800 pounds. Imports into Great Britain from Canada amounted to 11,397,680 pounds, almost exactly the same; the slight variation might be accounted for by the possible non-arrival of a shipment within the year period.

I have another statement which I will hand to Hansard which shows in detail the monthly, quarterly and annual exports in hundredweights and the imports into the United Kingdom, from the United Kingdom figures. In explanation of the statement I might say that it shows 111,518 hundredweights of 100 pounds exported from Canada, while the imports into the United Kingdom are shown at 101,765 hundredweights of 112 pounds. The total figures, as I said a moment ago, are very close in actual pounds. This statement, which shows the monthly, quarterly and annual exports from Canada and imports into the United Kingdom will give to the hon. gentleman the assurance he requires that the figures are quite accurate, and that the importer or exporter may have no fear or alarm as to the accuracy of the figures published in the government publications.

The figures are as follows:

Canada's Domestic Exports of Canned Salmon to the United Kingdom contrasted with United Kingdom Imports from Canada

Exports from Canada 1933	Cwt. 100 lbs.	Cwt. 100 lbs.	Pounds	Pounds
January	7,068		706,800	
February	656		65,600	
March	5,254		525,400	
		12,978		1,297,800
April	128		12,800	
May	5,520		552,000	
June	11,717		1,171,700	
		17,365		1,736,500
July	6,412		641,200	
August	30,567		3,056,700	
September	18,441		1,844,100	
		55,420		5,542,000
October	12,162		1,216,200	
November	4,190		419,000	
December	9,403		940,300	
		25,755		2,575,500
Total—1933	111,518	111,518	11,151,800	11,151,800
Imports into United Kingdom 1933	**Cwt. 112 lbs.**	**Cwt. 112 lbs.**	**Pounds**	**Pounds**
January	11,727		1,313,424	
February	7,230		809,760	
March	1		112	
		18,958		2,123,296
April	2,032		227,584	
May	3,145		352,240	
June	3,183		356,496	
		8,360		936,320
July	8,318		931,616	
August	7,049		789,488	
September	11,822		1,324,064	
		27,189		3,045,168
October	31,049		3,477,488	
November	10,124		1,133,888	
December	6,085		681,520	
		47,258		5,292,896
Total—1933	101,765	101,765	11,397,680	11,397,680

Note.—For the calendar year 1933 the corrected figure for the United Kingdom is 100,988 cwt. or 11,310,656 pounds.

CANADIAN LEGATION AT TOKYO

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, some nine months ago, I think it was on May 24, 1933, an order of this house was passed authorizing the tabling of some orders in council and some other documents in respect of the Tokyo legation. I do not wish to hurry the government—

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): —but I should like to have those documents tabled at the earliest possible moment.

Right Hon. R. B. BENNETT (Prime Minister): My memory is that only yesterday upon the motion of the hon. member for Charlevoix-Saguenay (Mr. Casgrain) an order for return was passed, and papers are being prepared.

[Mr. Stevens.]

Mr. GARLAND (Bow River): The order to which I refer was passed on May 24, 1933, and my information obtained from the office is that these documents have not yet been tabled.

CAIRO POSTAL CONGRESS

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, I have two questions to ask the government, and they will be the two last ones I shall ask. I should like to know if the Postmaster General (Mr. Sauvé) is travelling at the expense of the Canadian exchequer or at his own expense, and if at the expense of the Canadian exchequer, the government positively refuses to give any information to the house as to how that money has been spent.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the Postmaster General did not desire to go personally to attend at Cairo, but inasmuch as the conference held there is a world conference, and the preparation took place in the Dominion of Canada, he spoke to me about the matter and, as Postmaster General, he attended the conference. His expenditures are covered by order in council, as is usual in such cases, and he is receiving exactly the same compensation as did his predecessors when they attended similar conferences.

In addition to that I think it is only fair to say that the questioning to which he has been subjected in his absence I am sure he will endeavour to answer personally on his return. I was going to make this further observation in regard to the question which has been asked, and it is this: As far as the accountability for moneys received for travelling or for other expenses is concerned, there need be no fear in any sense that the Postmaster General will not afford such returns as the auditor general in the exercise of his powers will require.

That covers the questions which have been asked, but I might say that abroad it does not help to have it thought that one who represents all parties in this House of Commons, and the whole of this dominion, at a world conference, in his capacity as Postmaster General, and not in his political capacity should be in his home parliament, and in his absence, subjected to the type of questions which have been asked here with respect to our Postmaster General.

Mr. POULIOT: I have another question.

Mr. BENNETT: The hon. member said that was the last one.

Mr. SPEAKER: The hon. member asked two questions, and they have been answered.

Mr. POULIOT: I have two further questions.

An hon. MEMBER: Put them on the order paper.

Mr. POULIOT: What I want to know is this: Is or is not the postal congress at Cairo concluded? In the event of it being concluded, when did that conclusion take place, and if it is not concluded—

Some hon. MEMBERS: Order.

Mr. POULIOT: —is the Postmaster General at Cairo or in any other country or continent—not in Africa or Europe—and I want to know why?

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Mr. BENNETT: I am not aware as to whether or not the conference is concluded. My advice is that it has not been. Wherever the Postmaster General may be I am sure that upon his return he will satisfy the very laudable curiosity of the hon. gentleman.

Mr. POULIOT: Is he with Ambrose Small?

PRIVILEGE—Mr. LAPOINTE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, on a question of privilege, I wish also to satisfy the laudable curiosity of the hon. member for Regina (Mr. Turnbull). It now comes to my notice that last night he commented on and was worrying about my absence from the house while a certain resolution was being discussed. I have much pleasure in informing him that I was engaged in Quebec city, speaking in favour of the League of Nations, the promotion of peace and justice to minorities.

BUREAU FOR TRANSLATIONS

Hon. C. H. CAHAN (Secretary of State) moved the second reading of Bill No. 4, respecting the bureau for translations.

He said: This bill has been the subject of rather violent criticism in certain sections of the public press. These criticisms, I believe, are due to lack of information as to the provisions of the bill, or an entire misapprehension as to its purpose. The government, let me asure you, is not endeavouring to destroy the confederation pact, or to preclude the use of the French language in the debates of parliament, in the reports of proceedings of parliament, or in the administration of the several departments and agencies of the government of Canada. I am hoping I may be able to remove some of these misunderstandings, and for that reason I beg the indulgence of the house while briefly I review the circumstances which convinced the government that the public interest demanded the moderate measures of reform embodied in this bill.

As soon as I became Secretary of State in 1930 I was informed, as the minister responsible for the administration of the Department of Public Printing and Stationery, that the publications of French translations of public documents were frequently so long delayed as to impair, if not to destroy, their usefulness to the government and to the public. A cursory review at that time showed that a very considerable number of the documents translated into and published in French were not published until at least six months after the English edition had been issued, and later the

treasury board in making an investigation through an investigator appointed by them ascertained that a considerable number were not published and distributed until one year, at least, after the issue of the English edition to the public. These delays, it was urged, destroy the usefulness, to the people who were most interested, of these documents published in the French language. Oftentimes the documents could not be used in the French language until six months or more after the English edition had appeared. In a province, such as ours, and a city such as Montreal, which is now doing a very considerable business with European countries in which the French language prevails, it was reported to me that their business operations were hampered by the fact that the French editions were not available at an early date for transmission to their correspondents in France, Switzerland, Belgium and other countries.

I also received complaints from the heads of various departments that the cost of printing at the Department of Public Printing and Stationery was frequently in excess of the estimates obtained by them independently from printing establishments in Toronto, Montreal and also in Ottawa.

Such personal investigations as I was able to make into the conditions prevailing in the printing bureau convinced me that its overhead expenses were excessive, due I think chiefly to the fact that for many years under successive governments important appointments had been made to the printing bureau on the ground of political services rendered, rather than that such appointments were absolutely necessary for the efficient administration of that branch of the public service. Other important matters absorbed my attention, particularly matters dealing with reparations and matters relating to my ministerial duties as custodian of enemy property, and as you all know, in 1930 I had to proceed to Berlin where I was engaged for some time in making a settlement and an adjustment with the German government as to the respective liabilities of the two governments arising out of the war.

Again, after I returned, the matter came up and I was informed that the cost of printing, particularly the cost of printing translations into French, was frequently increased by the carelessness, if not incompetence in the preparation of the copy which was submitted by translators to the printing bureau for printing. After the type had been set up in the French language in accordance with the typewritten copy received by the King's Printer, such excessive alterations were frequently made in the printed text as in some cases to double the cost of typesetting by way of corrections. I then ascertained that little if any governmental or administrative control was exercised over the preparation of translators' copy for the printers.

These matters, coming up from time to time, were brought to the attention of council by my colleagues and discussions were invited, I having to assume responsibility largely for the delays and excessive costs as minister in charge of the printing bureau. But the obvious remedy then seemed to be entirely beyond my official control. Nevertheless in the summers of 1932 and 1933 it was found impossible to give full-time employment at the printing bureau, especially to those who were employed by the month at prevailing rates. Out of the five hundred employees of that bureau I think four-fifths are temporary employees who have been so employed on monthly prevailing rates for ten, fifteen and even twenty years.

To meet the lack of employment we were compelled during those two summers to reduce the hours of labour at the bureau. We reduced the number of working days a week. Then we reduced the monthly employment by one week's compulsory vacation out of four, and finally it came down to two week's compulsory leisure or vacation in each month. This reduction bore heavily, in fact most severely, on compositors and others whose maternal language is French because, as is natural, they are largely engaged upon compositions in the French language at the printing bureau. The customary delays in the delivery of French copy for the printers, due largely to delays in furnishing the translations into the French language, prevented the bureau from working continuously on French composition during June, July, August and September.

Hon. members will recognize that the printing bureau is an absolute necessity during the session of parliament in order to carry on the printing and publishing of debates and of the proceedings in parliament, but the summer time is the time when, to keep the printing bureau employed, it should have available for printing blue books, parliamentary returns, and other documents which are not immediately related to the work of the session. The delays in the delivery of the copy for these blue books, so called, gave rise to very considerable hardship, and especially to those employed at the bureau whose maternal language is French.

The printing work of the bureau, exclusive of cost of material, has been somewhat curtailed by a restriction of the activities of the

administration in various departments. Although the public printing done outside the bureau in the printing houses in this and in other cities has been reduced from $462,000 a year in 1930-31 to $140,000 a year in 1932-33, a decrease of over $320,000 a year, nevertheless the printing done at the printing bureau has been reduced from $1,211,000 in 1930-31 to $1,056,500 in 1932-33, a reduction of $154,500; that is, a reduction in the cost of wages at the bureau. That is to say, that of the receipts of the bureau $154,500 less was available for the payment of salaries and wages of the people so employed. As a result of this in less than five months it became necessary to reduce the number of employees by 77, including 5 deaths, and these 77 were receiving aggregate annual salaries of $155,286. That was done in order to balance the account at the bureau. A few were retired by death but nearly all because they had reached the age of sixty-five or over. Many of those who were retired were under the Superannuation Act, and in the case of those who were not under that act an effort was made to give them a reasonable solatium. Of that entire 77 only six were hand compositors who had reached the age limit. There still remain in the bureau for hand composition alone 87 compositors and 36 linotype operators out of a total staff of 595, of whom 415 are temporary employees, so called. That is, they are employed on monthly wages at the prevailing rates in printing houses in Toronto and Montreal; but they are not under the Superannuation Act, and if they receive a month's notice they have to go out under the law without any compensation. Nevertheless I assure the house that I made every effort to keep these printers engaged by the month at the prevailing rate. The situation was somewhat relieved by a reduction in the large overhead expenses to which I have referred, an overhead which was greatly in excess of the reasonable needs of the establishment.

In October last, the copy, especially for the French copies of the so-called parliamentary returns and bluebooks, was not coming in. Notice was given in that month to forty employees who were on prevailing rates at a monthly wage that their services would be no longer required although the working hours and the days in the week worked had been reduced. These employees were notified of their retirement on December 31. On November 27 I went away for a month's holidays and returned on the day following Christmas. I was reliably informed that some of the employees under notice of dismissal had been unable, through lack of employment, to save up sufficient during the summer to provide their families with fuel and food during the month of January. Hon. gentlemen who sometimes discuss in boards of trade throughout the country the necessity of reducing employment in the public service cannot realize the sense of personal responsibility which lies upon a minister when he approves of forcible retirements under such circumstances. These representations were made to me by clerical gentlemen and others who knew the condition of these families, and, when I reflected upon the hardship which would be imposed upon them by retirement, I found I could not sleep the Saturday night before New Year's day. In the morning I got in touch with the King's Printer and asked him to notify these forty employees to return to work on the Tuesday following. We decided to make some division of labour which would enable these men to keep their families warm and provide them with food during the succeeding winter months. These employees were brought back but there had to be a sharing of work by other employees with the result that they and others in the establishment could be given work for only two weeks during the month.

These facts have been before the government for nearly two years. I say deliberately that after giving conscientious supervision to the work of that department I find it impossible to give a continuous and fair measure of employment unless all departmental reports both in English and French are furnished as soon after the close of the session as possible in order to provide work for the intervening months before the opening of the next session.

I was absent from this country from the autumn of 1932 until the first week of February, 1933. During my absence complaints with respect to the furnishing of French translations from the printed translations by the printing bureau became so acute and other complaints as to the cost of operating the printing bureau under these circumstances became so numerous that the matter was brought up for careful investigation and reconsideration. On March 3, 1932, some rumours with regard to the condition which then prevailed must have got abroad because I was asked in this house a question as to what recommendations had been made for a reduction in or the centralization of the translation services in the government departments and in parliament. I replied that an arrangement had been made for the appointment of an official in the Department of the Secretary of State who was to take charge of the translation of languages other than

French and English into English and French as might be required by the several departments of government. I stated also that the suggestion had been made and the government was considering the possibility of the organization of a bureau to take charge of translations other than those usually made in the different departments by the regular staffs. This bureau for the translation of foreign languages for all departments was attached to my department and proved to be entirely satisfactory. I am prepared to lay on the table of the house a statement which will show that some fifteen or sixteen departments and agencies of government have made use of this department from week to week throughout the year.

Later on, during my absence in France, an investigation was made by the treasury board with regard to matters relating to the administration of the Department of Public Printing and Stationery. This investigation disclosed that careful preliminary revisions by authors and expert translators of all typewritten copy, which is prepared by authors and translators for the printer, would save large expenditures now made in resetting the type when revisions are made after the text has been printed in galley form at the printing bureau or after the printed galley forms have been divided into printed pages.

I would have preferred that this matter should have gone directly to a committee where it might have been inquired into, but in order that hon. gentlemen may see the sort of complaint that is made to me, I show them a proof which has been printed, set in type, read by the proofreaders at the printing bureau to see that the printed text is in accordance with the typewritten copy, and then sent back for further correction. These corrections which were made in this printed text necessitated practically a complete reprinting of the entire text. These corrections would be entirely unnecessary if the French copy were revised by one of the experts, of which there are many in the employ of the government. I show the house one example of a translation of a report in the Senate from English into French. The French copy is sent to the printing bureau where it is set up in type. It is then read by the proofreaders to ascertain that the type so set is in accord with the copy received. It then comes back with all these corrections. This is a photograph and the white marks show the red ink corrections. Such examples are brought up week after week and month after month to show how impossible it is, even after the French proof has been obtained, speedily to print and issue the final revised French text.

Mr. MARCIL: Are those Hansard speeches the minister is showing ?

Mr. CAHAN: One of them happens to be Hansard, but the others are departmental. It does not make any difference for the present, and I do not wish to make special reference to particular translators. Here for instance is a report made by one of the departments. It is not only set up in galley proof, but the galley proof has been read; then the galley proof was sent back to the translator, who has also read it and revised it, and the translator's changes have been made and set up in the printed text in page proof and after that this page proof comes back with all these corrections made.

Now it was ascertained by one of the committee under the control of the treasury that the setting up in type of these corrections made in the text after it had been set up in type and sent for revision—not all French, but a great deal of it, some of it being in English—over a series of years, in wages in respect of the resetting of that type after it had been first set up in the printed text varied in cost from $75,000 to $80,000 a year during a number of years preceding 1933; and in the first ten months of 1933 the setting up of such changes as those I have mentioned cost $52,000.

It is improper, I think, to hold a minister of the crown responsible for these expenditures unless he has some control or supervision over the work. I am responsible as a minister of the crown for the work of five hundred men engaged in the printing bureau. I keep, when I am in Canada, very close contact with them; I do not think that any predecessor ever kept closer contact with them, because large reductions had to be made in the public service, and I was anxious that such reductions if made should cause, to persons employed in the printing bureau, as little hardship as was possible under the circumstances. These expenditures would have been reduced very largely if the typewritten copy of translations for the printer were at first carefully prepared and then subsequently revised by the more expert translators before being sent to the printing bureau.

The investigations made in my absence in Paris in the early part of 1933 disclosed that the inefficiency of the translation service is due largely to the fact that it has developed

in a haphazard way and has never been organized with a view to distributing the work, so that no translator would be idle, apart from a reasonably long holiday for rest and recreation during the summer months, and that no translator should be underworked or overworked, underpaid or overpaid.

In the House of Commons staff, in addition to the translators of debates, there are ten bluebook translators who are engaged in translating departmental reports, which have no direct connection with or relation to the work of the House of Commons and its proceedings. These translators engaged on bluebooks are not translators of the Hansard, but they are under the sole direction of the Speaker of the house. I contend, and the government contend, that they should be under the direction of the government or of that minister of the crown who is responsible for the translating and the printing of these departmental reports.

This bluebook branch of the House of Commons staff was organized as a temporary expedient in 1913, with a view to abolish, or at least curtail, the practice of sending departmental reports for translation outside of Ottawa to political friends as a means of political patronage. Both parties did it and successive governments were responsible for farming out that sort of patronage. Then there were added to the Hansard staff, as a bluebook section, translators from time to time, and bluebooks have been sent to them for translation. But they are not under the supervision or direction of any government authority except the Speaker of this house, and I contend that the independent position of the Speaker of the house really precludes him from being responsible for the efficient translation of governmental or of departmental reports. His Honour should not be exposed to criticism or reprimand for neglect of duties which are by law assigned to ministers of the crown as the executive heads of the several departments over which they preside.

It was under these circumstances that this government bill was prepared, and as Secretary of State I was instructed by council to introduce it to parliament.

It is contemplated that the Bureau for Translations, which will be created by this bill, may be divided into two branches. One of the two branches would be known as the Parliamentary Translators Branch, whose first duty would be to translate the debates and proceedings of the Senate and of the House of Commons, and the second, that is, the Departmental Translators Branch, whose first duty would be to translate departmental reports, documents and despatches as required.

It is also suggested that the organization of the departmental branch might well follow the plan of organization recently adopted when, pursuant to the provisions of section 36 of the Consolidated Revenue and Audit Act, 1931, the accountants of all departments were placed under the supervision and direction of the Comptroller of the Treasury.

Any translator really required by the officers of any department for the efficient, independent work of that department would continue to be attached to that department; and it is proposed, if it is possible so to arrange, that the translators required for the work of all departments located in the east block shall be located in that block under one supervising head, and in the west block and in each of the other government buildings in like manner under similar supervision, all of whom will be under one superintendent.

I remember that when this act of 1931 was put into force I had in the Department of Public Printing and Stationery twenty-one accountants, and in my own office of Secretary of State we had three or four. Many of these accountants thought that this reform for them was the end of all things and they were very anxious and apprehensive with respect to the proposed reorganization. It was carried out in a most systematic way under the supervision of the Comptroller of the Treasury and of the Civil Service Commission. For instance, in the west block, the accountants, who were general accountants who had formerly attended to the work of the Department of the Secretary of State, the Department of Railways and Canals, the Department of Trade and Commerce and some minor branches located there, were simply segregated in the same building and continued under the general direction of the Comptroller of the Treasury, their oversight and supervision of the accounting of all departments located there. The same occurred in the east block and in certain other departments. The result was that these three or four accountants in the Department of Secretary of State, where there was no opportunity for advancement except as one of them died or retired, found themselves in a larger branch with scores of other accountants, where the path of advancement was freely open to those who had ability and who were assiduous in their employment, the result being, I am confident, that to-day not one of the accountants who was so transferred would revert to the old system.

The superintendent of the proposed translation bureau, which will consist of these two

branches, will be under the direction of the minister who administers the proposed act and the minister will be responsible to parliament for the effective cooperation of all officers and employees in each translation branch, and, subject to the Civil Service Commission, for promoting efficiency and removing existing discrimination in working hours and conditions. The superintendent will have general supervision and control of the bureau and branch officers under him will be responsible for such careful preparation of the typewritten copy for the printers as to avoid very largely the wholly unnecessary annual expenditures, which I have just mentioned, in resetting the type of printed proofs and pages before binding and distributing the printed documents to the public. All these translators will be eligible for promotion in and throughout the whole translation service of the government and not as now, in one department only, and their respective positions in the civil service will be determined from time to time by the Civil Service Commission just as in the case of all other civil service employees. The commission will determine the relative value of the services performed by the respective officers and employees and their qualifications for promotion in the service.

The government, I assure hon. members, has not the intention of using the proposed Bureau for Translations as an indirect means of procuring the dismissal of individual translators from the public service, but will use it rather as a means of distributing evenly the work of translating and of supervising translations so that all departments and agencies of government may be satisfactorily served, and that the work of translation so speedily and efficiently performed as to avoid all unnecessary delays.

I notice in a certain section of the public press that there has been a discussion of a return which I brought down showing that a number and, indeed, a very small one, of translators had been retired in recent years, particularly from the Department of the Interior. But we must remember that there were no less than 1,794 retirements, transfers, resignations and deaths causing vacancies in the staff of the Interior department, and those retirements and resignations were due chiefly to the transfer by the dominion of certain natural resources to the prairie provinces. Therefore it is not surprising that out of, in round figures, 1,800 retirements and resignations, the translation staff of that department was reduced by five. I know we in each of our departments did all we could to make places for those retired from the Department of the Interior; many of us have not under any consideration appointed any other applicants to positions in our respective departments. I remember my department took two of those who were retired, one of them coming to me as librarian and the other in some other service, I have forgotten which. Again it is complained that five temporary employees of the House of Commons translation service were released on February 1, 1932, but these employees were not under the direct control of the government, and of all other retirements there were only three vacancies which occurred by death and three by retirements which have not been filled simply because the various departments are waiting to ascertain whether this proposed central bureau shall be organized.

No one can underestimate the competency and efficiency of the translators of the first-class from French into English and English into French, but it is evident that there has not been careful, responsible supervision and direction of their work. I find that in the House of Commons staff at the present time there are ten translators and a chief translator, or eleven in all, who are translating blue books which have no connection whatever with any work of the Commons. This work, which is part of the ordinary administration of government should, we think, be under the direction of a minister of the crown and not, as at present, under the Speaker of this house. The government is held responsible to the public for the speedy and efficient performance of this work, but at present it has no direction or control over this branch of its own administration. The Speaker should certainly be relieved of responsibility in such matters as these, as he has no more interest or concern in the work of translating such blue books than he has in the administration of the patent office or the copyright office or any other branch of the public service.

There are at present fourteen translators of commons debates and a chief translator, or fifteen in all. It is suggested that it would be an infringement of the privileges of this house to organize the translators of debates into a parliamentary translators' branch of the proposed Bureau for Translations. The organization of such a branch, when authorized by parliamentary action, can hardly be deemed to be an infringement of parliamentary privileges, and this matter is brought up by the terms of the bill now submitted in the hope that the Commons will give it second reading and send it to a special committee where these matters may be inquired into and where it may be ascertained whether it is for the convenience of the Commons and in the

public interest that such a parliamentary translators' branch should be so organized.

I recall to the attention of the house that time and again parliament has deemed it expedient to vest certain of its own powers in judicial and administrative offices of government. The trial of election petitions, which was formerly one of the privileges of this house, was long ago relegated to the courts. The furnishing, cleaning, heating and lighting of the House of Commons, which, in earlier days, was the function of a committee of this house, was later placed under the direction of the Minister of Public Works, who is directly responsible therefor to parliament. In the earlier days a committee of the house controlled the printing of Commons debates, bills, votes and proceedings and even acts of parliament, and such printing was farmed out to privileged private printing houses in this and other cities. But scandals arose in connection with the distribution of such printing and the payment of private concerns therefor, and parliament decided to enact a statute creating a department of public printing and stationery, to be charged with the performance of all work relating to printing, lithographing and the like. Parliament also decided that this new department should be placed under the direction and supervision of a minister of the crown, who would be directly responsible to the government of the day and to parliament for the efficient administration of that department.

We are therefore proposing this measure for the consideration of the house. There is no desire to force an innovation upon the House of Commons against its wishes, but we are asking that the facts be elicited before a special committee and duly considered, and that those who are employed in the translation of the debates of the Senate and the House of Commons should be organized into this parliamentary translators' branch of a general bureau for translations, under a minister of the crown with the responsibility I have stated.

It is suggested in the press that these translators of the debates of the Senate and the House of Commons, who receive annually about $60,000 a year in salaries, are so busily employed during the four or five months of the session of parliament that they require rest and recreation during the remainder of the year. The Hansard translators of this house are a very efficient body, and I will not say one word in disparagement of the services which they daily perform. The House of Commons staff dealing with the translation of Hansard are busily employed during the sessions of parliament, but inquiry will show, I think, that they are not overworked as compared with other employees of parliament, and certainly not as compared with the officials of many of the departments of the government. The Senate translators of Hansard are not, I am told, so busily employed; in fact it is alleged that they are the least busily employed body of men in the public service of Canada. Undoubtedly those who perform an excess of work during the parliamentary session should be granted longer periods of holidays for rest and recreation, and those who are engaged day by day in translating Hansard should have accorded to them under the civil service rules a longer term of holidays than the ordinary employees in the public service are granted, but there seems to me no valid reason why, during two, three or four months of the recess of parliament, they should not be available on special occasions for the translation of special documents such as the reports and proceedings of government commissions, inquiries and the like, and for the translation of special documents which require extreme care and supervision.

I merely desire to place these facts fairly before the house as I see them. If this bill receives second reading, full inquiry then may be made into all relevant facts and considerations, and I am confident that the special select committee on the civil service will do full justice to all parties concerned. I think it is in the interests of good government that those who have any representations to make should appear before that committee where their representations will be received. In regard to those translators who are not now employed in special departments, I think they should be organized in like manner as I have already stated the accountants were organized. I am confident that the position and the prospects of translators in the proposed organization will be very greatly improved and I am assured, though I cannot vouch for the reports that come to me, that a great number of the translators who are employed in the public service, upon a review of the bill and of the facts relating thereto, are very favourably impressed with this proposed change in their employment. As I have already stated to some of them, it is the opinion of the government that a reorganization such as that proposed in this bill will place translators from French into English and from English into French on a higher plane in the public service. It will avoid duplication of translation services and re-

search work in relation thereto. It will ensure the effective cooperation of all officers and employees in the existing translation services. It will establish coordination and uniformity in the proper use of technical terms. It will improve the means of acquiring expert knowledge and competency and will promote the advancement of those employed in this very essential branch of the public service. It will tend to remove all discriminations in working hours and working conditions, and it will promote—and this is essential—the contemporaneous publication of public documents in both English and French for the use of parliament and of the public.

During the recess the government might have appointed a commission under the Inquiries Act to inquire into these matters and report, but, as this does affect to a rather slight extent the privileges and powers which this house now exercises, it was deemed rather an impropriety to make that investigation when parliament was not in session. Therefore this bill was drafted with a view to placing it before a committee of the house for consideration, by which committee all relevant facts may be ascertained.

I should like to add one personal word, because I have attended conscientiously, as best I could, to the administration of the duties imposed upon me as a minister of the crown. It is true that my maternal language is English and that I am of the Protestant faith, but I confess that during the past few weeks I have felt somewhat embarrassed and even humiliated in reading the charges made in certain sections of the public press that I am now attempting to destroy the confederation pact and to relegate the French language to an inferior place in the federal administration of this country. I should have thought—and I say it with modesty—that my past public life and my consistent conduct in matters relating to race, language and religion, should have protected me from such personal assaults as those I have sustained. This bill is not a Cahan bill; it is a government bill, which the members of the government deem to be detrimental to no particular interest, but a measure the terms of which will tend to conserve public interests and ensure more efficient administration of the public services of the country. It is a bill which we trust will be given second reading and sent to a special committee, which will have full liberty to inquire into every interest which may be thought to be prejudicially affected by the terms thereof.

[Mr. Cahan.]

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, I entertain the most kindly sentiments of friendship for the hon. minister who has just taken his seat, and he knows it. For that reason I believe he will excuse me and not consider me in any way discourteous if I do not traverse the whole of the speech he has just delivered. At the outset may I thank him for the kindly disposition which he has shown towards those unfortunates in the printing bureau during a very crucial time last year. But the hon. gentleman is a past master in the art of preparing a case, and he has set up a wonderful stage, he has prepared a wonderful picture, and has shown but one side of the situation. He has brought into this House of Commons a big sheaf of something about which we know nothing. Had I had the same opportunity as he had I might show as great a sheaf as the one he has shown where corrections are made on the printed copy and sent back to the prining bureau, and charged to translation.

As I have said, the hon. gentleman has given a wonderful exhibition of window dressing. He knows the French language quite well and will take no offence if I refer him to this particular fable, namely that he has forgotten to light the light of his lantern. He has not in any way attempted to show what this bill would mean in the way of economy. He has shown only the dark side of the picture. I do not intend to follow him through the various points he has raised, except to do so as I go along in the ordinary course of my speech.

The question is as to whether or not this bill will be read a second time. When I shall have finished my observations I shall move, seconded by the hon. member for North Timiskaming (Mr. Bradette):

That the word "now" be left out and that the words "this day six months" be added at the end of the question.

Under our practice and our rules it is a well established principle that the proper time to discuss a bill is when it comes up for second reading. I am not here to lecture nor am I competent to lecture upon the interpretation of the rules of the house. Nevertheless I may be permitted to remind hon. members and, more particularly, sir, those hon. members of the province of Quebec who for the time being happen to sit to your right, that when an hon. member votes for the second reading of the bill he inescapably votes for the principle of the bill, and that it is no defence to say that all he intended to do was to vote for the second reading so that it

might be sent to a committee. On this occasion I leave hon. members coming from that great province with these words, "Let duty be their law and conscience their rule."

At this stage I believe the easiest way out for the minister would have been to withdraw from his difficulty, and simply and graciously to withdraw the bill. In all friendship and sincerity I say to him that he has needlessly got himself into a whirlpool of trouble. In all frankness, sir, I say to him through you: Why not admit it now? In one's public career—and the career of the hon. gentleman has been long, honest and honourable—one can make mistakes. This is the mistake of his career. I say that if the minister will withdraw this bill we will forget it, as we would a bad nightmare. At this stage I cannot nor shall I go into the merits or, rather, demerits of the proposed legislation. The minister has done so at considerable length. Unfortunately however I have not the same latitude to follow him to any great extent. I find that the principle of the bill is contained in clauses 3, 4 and 5, and I shall confine my remarks to those sections. To some extent, also, I shall refer to the explanatory notes accompanying the bill.

The reading of those sections indicate, notwithstanding what the minister has said, that it is intended to abolish the existing classes and categories of translation services, in whatever departments they may be, and to blend them into one—the minister now says two, but that is not shown in the bill—into one huge bureau of translation or, as the minister now says, into two bureaus, under a superintendent. Sir, this bill should not be called the Translation Bureau Act, but because of its effects it ought to be called, "A bill for the translation of the remains of the translators, and of translation."

There are two very distinct spheres of activities in which translators take part. One is in the two houses of parliament and the other outside in the various departments of the ministers. The translating staff of the House of Commons is fourfold. There is the law translating branch, where there are three translators; the journals, where there are two; the debates, where there are sixteen, and the parliamentary, where there are twelve. In all there are thirty-three translators. In the other house there used to be three, but as one has now left the service there are only two. In the translating services under the various ministers, to which I have alluded, there are forty-one. It is now desired, under sections 3, 4 and 5 to bring all of these translators into what I now call, because I find no better word, a hotchpotch to operate under a superintendent and under a minister. This superintendent has to supervise the work of ninety-one translators, engaged in all of the most diversified activities of government.

Sir, there was born in the year 1463 a genius named Pic de la Mirandôle, possessed of what one might describe as universal knowledge. His knowledge of things was phenomenal, and particularly his knowledge of the foreign languages. Upon reaching the age of thirty-one we are told there was no language he had not mastered. But in that year, sir, he died. Has the minister in mind a distant relative of Pic de la Mirandole as the genius who will supervise these ninety-one translators engaged, as I say, in most diversified activities. Under this plan, and under the direction of this superman would be translated references to paleontology, recipes for making maple syrup, geology, laws passed by the House of Commons, entomology, the science of bugs, and probably the translation of the speeches of eminent statesmen. This to anyone who has any knowledge of the practical work of a translation bureau is seen to be not feasible and impracticable. For instance, at present if a translator of Hansard is not sure of the meaning of a particular sentence in an hon. member's speech, and there need be no wonder at that, he can at once get in contact with the member and find out what the meaning is; and in the departments, if some expression heretofore unused crops up, the translator in the department has the benefit of immediate contact with the one who made the report and can tell him what is required in the way of interpretation.

The minister says that this bill would remove the existing discrimination in working hours and working conditions. At present I say there is no discrimination as to working hours. There are several staffs that work from nine to five and are paid for that amount of work. There are others who work after five and are paid no more. But there are others who work during the night and are paid the same yearly statutory salary. On the translating staff of the houses of parliament there are many who work during a session of four or five or six or seven months just as many hours, and under much more difficult conditions, than others who work simply from nine to five throughout the year.

How does the minister think that he will manage this new organization? Of necessity

he must retain shifts of translators when the house is sitting. Then he must devise some way of having these translations sent back and forth. He would need to have a continuous army of messengers to enable the work to be carried on. The minister knows the meaning of the proverb, "Tot caput tot sensu," so many heads, so many opinions. He desires to bring into this hotchpotch a large number of men who have specialized in their own particular departments. He would have as many ideas of translation as there are men who would be engaged in that particular translation. Instead of having but one revising officer there would have to be quite a number to take care of the work of the shifts as they come and go.

The minister says that there has been a centralization of accounting. That is perfectly true. That was a wise move. Figures and numbers are not susceptible of translation. That is elementary; so why talk about it? There is no reason at all why there should not be a uniform system of accounting of all the government's activities. After all a ledger is a ledger, a credit balance is a credit balance, and a debit balance is a debit balance. That is so true that I do not know that up to the present any of these accountants has been changed from his own particular department, and that is well because the accountants in the various departments may refer their statements to one central office, no matter where they themselves may be located, in which central office the final auditing may be done.

But the minister must realize that that cannot be done with translation bureaux, if the staffs are as he says to remain in their present offices. If they stay where they are, how will the superintendent be able to supervise? How will he be able to allocate the work to the various departments? Will the minister create a special office to which all the translations will be sent as they come to the superintendent so that they may be sorted out and distributed among the most efficient translators for that particular work? If so, how will he quickly get the allocated parts of different work to those who are to do that work? He may hire a fleet of baby Austins and messengers to distribute the work around to the different departments, but will the cost of administration thereby be reduced?

If the translators are not left in their respective bureaux and I apprehend that that will be the effect of the bill, the work will be distributed amongst all the translators to keep everyone working, and a translator who has been accustomed to translate works on chemistry may be called upon to translate something about aeronautics, while the translator on geology may be called upon to translate the report on the milk investigation.

When these French experts of to-day are superannuated or die they will be replaced by juniors from this hotchpotch. It will not be a case of one expert translator replacing another, but of a junior being assigned to the work of the expert in order to keep the number in that particular bureau even; but certainly there will not be the same level of efficiency, and that is where the evil will be twofold. The quality of the translation will be impaired and the number of efficient French clerks will be reduced, and the status of the French language will to that extent thereby suffer. It cannot be contradicted that if a head clerk at $3,800 retires and is replaced by a junior at $1,800, the efficiency of the translation will suffer and the status of the French language thereby also suffer.

On the other hand, if there is no centralization, if the translators are left where they are to continue to specialize in their own departments, the junior translators will come into daily contact with the work they have to perform and will of necessity familiarize themselves with it, and in that way will one day be able to secure promotion.

Judging by the experience of other bilingual countries which have at some time or another tried centralization, I ask why are we dropping the substance for the shadow?

There is another aspect of the matter. One may think it is very easy to translate. Well, we may say in French, "Le Secretaire d'Etat est un grand homme," meaning that the Secretary of State is a famous man. But if we say, "Le Secretaire d'Etat est un homme grand," it means that the Secretary of State is a tall man. The words are the same but they appear in a different order, and make the meaning very different.

Everyone who possesses the knowledge of two or three languages knows that the difficulties in adhering to a precise translation appear sometimes to be insuperable, and that is why it is always with the greatest diffidence and a sense of apprehension that I address the house, fearful as I am lest at some time I should innocently misplace or still worse misuse some expression.

But why labour the point any further? It must be obvious to you, sir, and to hon. members of this house that translation is a science, and a science of a very particular nature. Translation is not the mere substitution of words or the mechanical interchange of idioms. It implies a subtle interpretation of analogies, and a delicate appraisal of terms and ex-

pressions so as to render even the finer shades of meaning. The Italians, in their own picturesque language say, "il tradittore il trahittore": a translation is very often a treason.

Would the Secretary of State be content to send one of his speeches upon constitutional law, pronounced in the masterful command of the English language which he has, to one of the translators in this hotch-potch, one perhaps who had been a specialist in translating reports on diseased potatoes, the fertility of the malaria mosquito or the physical structure of the tsetse fly? Would he be content to have such a translation in French circulated through the European universities where his name is not unknown? A translator is not made in a day. His science is the result of years of labour and special study. By reason of those labours and studies he acquires a special knowledge of the subjects, the expressions and the shades of meaning in a language not his own. I am sure hon. members would be astonished if they were brought into contact with the accumulated experience of the translators as it concerns words, expressions and sentences and which has been acquired by diligent study and comparison of other idioms.

This is a trial of centralization or specialization. In 1910 the government of the day desired to know what was being done in the bilingual countries of Europe. Mr. Achille Frechette, former law translator and chief of the translation branch of the House of Commons of Canada was appointed to visit Belgium and Switzerland to investigate this matter. I think some extracts from his report should appear on Hansard. He states first:

> My inquiry has been directed to the translation of the debates, of the sessional papers and of the laws.
>
> As is the case in Canada, the debates may be carried on in Belgium and in Switzerland in either or any of the official languages of the country.

At that time the House of Commons and the Senate were operating under a system of centralization but that has since been changed to one of specialization. The report continues:

> In Belgium each of the different departments has its own translation staff.

And he continues:

> In Switzerland the various departments have their own translators.
>
> Thus it is seen that nowhere in these two countries is translation centralized. And in both countries satisfaction is expressed with the system in use.
>
> Let us now consider the system that obtains in the Canadian House of Commons. The service, there, is centralized in an office recruited—may I be permitted to say—independently of any idea of specialization in the work.

And again:

> It is evident that so many various translations, for which the most extensive dictionaries and the usual language are altogether inadequate, must require from the translator vast erudition, constantly supplemented through long hours of research and tireless application. Would it not be too optimistic to expect great success from the anomaly of an organization where it is required of each man to be a universal specialist in order to be fit for expert work in all directions?

That is what one would find in this hotchpotch. The report continues:

> All the efforts that the chief translator—
>
> Under this bill, the superintendent—
>
> —may make towards specializing the abilities of his staff are rendered vain by the manner in which the documents come from the printing office and by the necessity of having the work done quickly. Without entering into more details, I will say that constantly a given work has to be divided among several translators, either in the office or outside.

Here again is a comparison with the bureau which it is sought to be created by this bill. The reports goes on:

> And what is the consequence? If each man, although he feels no personal responsibility for the work, makes the study it requires, no time will have been gained. If such studies are not made, that part of the work which is improperly done will swamp that done by the conscientious translator who knows his subject and its terminology.

This gives an exact picture of the bureau for translation which the minister is seeking to create. The report continues:

> The tendency of all this is towards the demoralization of the service. And the French version of the documents suffers in quality, although, in spite of all efforts, it still reaches the public much later than the English version, for the main reason that the latter is received too late by the translators.
>
> The present system, established some seventy years ago, may have answered the needs of the time, when the public documents were very far from being as voluminous, as numerous and as specialized as they are to-day, and when the greater part of them, being already in French, had not to go through the French office. But now that the publications of the public service deal with so many activities unknown to the primitive country that we were then; now that all the human interests, more and more specialized find their expression in the papers presented to the Canadian parliament, a centralized translation office can no longer do justice to so much work that calls for specialists. The experience I have acquired during thirty-six years of service in the Commons has convinced me that in centralization rests the vice of our system.

Just a word in passing as to what the hon. minister has said with reference to the general translation branch. He knows that that branch of the House of Commons, although on a few occasions it has translated outside reports, translates a long series of documents and reports from this house, such as the grain investigation, the imperial conference and the innumerable reports which emanate from committees like the milk inquiry committee, the civil service committee, the banking committee, the shipping committee. The report continues:

> Therefore, and from my observations in Belgium and Switzerland, where I everywhere found specialization carried as far as possible by the establishment of provisions for translation in the various administrative branches, and where there is thorough satisfaction with the system in existence, I conclude that it is desirable to extend in Canada to all the departments, the practice already intelligently introduced in some of them, as, for instance, the Department of Agriculture.

That was the first department to start specialization and up to the present time I do not think there has been any difficulty or any complaint in connection with the work done there. The report concludes:

> The departmental translator having a narrower field of work could comparatively soon master the two languages in the specialties dealt with every year in the documents issued by his department. He could do his work much quicker and much better, all other things being equal.

I do not want to quarrel with the minister as to the diversified statements he has made, though I find it very difficult to reconcile many of them. Taking the bill as it stands however, while perhaps not in the immediate future, at any rate at some later date, the various translating branches will be brought into this Bureau for Translations. The minister has stated the move contemplated will result in a saving of public funds. How that can be accomplished he has failed to show, and one can only anticipate the future by what has happened in the past. The minister has indicated that since 1930 some eighteen translators have been let out. It is quite true that in the Department of the Interior there were five; I think that is a fair statement.

Mr. CAHAN: There have not been eighteen translators dismissed or retired by this government since 1930.

Mr. CHEVRIER: May I ask then how many there were? It does not matter however how many there were; I am quite prepared to say, in all fairness to the minister, that the five that were let out in the Interior department should not be taken into account. At any rate, there were some seventeen altogether—

Mr. CAHAN: No.

Mr. CHEVRIER: Or fifteen; the minister can reply later on. No matter however how many were let out, none has been replaced, and the fact is that there are many heads of departments, French Canadians, holding important positions who have not been replaced. The minister goes on to say that this bill will improve the standing of translators of the French language in the department. Here may I make a special point. If this bill ever becomes law the translators will ultimately leave the Houses of Parliament and all departments and with them such junior clerks and stenographers as are associated with translation work. Not only will so many translators be removed from the departments, but probably double and treble the number of clerks will go with them.

Mr. CAHAN: There are to-day, or there were yesterday, eighty-six translators with twenty-nine clerical assistants, making one hundred and fifteen in all employed in translation work, and I am sure that there has been no time since 1930 when there have been fifteen dismissals.

Mr. CHEVRIER: I submit then that the minister will have to explain this return which has been brought down to the house, wherein I count nine translators, and there are five or six others whom the minister is overlooking.

Mr. CAHAN: The statement which the hon. gentleman is taking from Le Droit is not reliable. Moreover, if he will leave out the translators retired by the Senate temporarily, and the temporaries retired by this house, over whom this government has no control, he will find that the five from the Interior department are the larger number. There are three others who died and three others retired who have not been replaced, and I have stated the reason why: we were waiting to see what would take place under the reorganization.

Mr. CHEVRIER: However, there was no replacement of the one retired from the Civil Service Commission, nor was there any replacement of the one retired from the Finance department. In all the different translating branches there have been seventeen or eighteen translators who have been retired; otherwise, why did the minister bring down this return which appears in Hansard?

Mr. CAHAN: The hon. gentleman says that the government is responsible. The government is not responsible for the retirement of temporary employees of this house, over whom it had no control. It is not responsible for the retirement by the Senate of three or four temporary men on weekly wage. Events were responsible for the retirement of five from the Department of the Interior, and when you consider that 5,800 members of the civil service have been retired since 1930, it is not surprising that there were three of four translators among the number.

Mr. CHEVRIER: I will not labour the point, but the minister will have to admit that there was one retired from the Civil Service Commission, one from Finance, one from Immigration and Colonization, one from Marine, one from Trade and Commerce—all the way through. The minister himself submitted that report and it appears in Hansard.

Now, these events have taken place lately and they are likely to occur again; and notwithstanding the minister's professed desire for the maintenance of the present status of the French language, I am very much afraid that higher positions now filled will meet with the same fate. I am not asking for more than we have. There are some who say that what they want they get, but all that we Canadians of French origin say is, what we have we hold. We are not asking for anything more at present. In the discussion of this unfortunate measure we are asking for no new rights; nor does this measure, notwithstanding what the minister says, give us any greater rights than we have presently.

The Secretary of State tabled sessional paper 137, wherein he is reported as having said, among other things:

> Speaking generally, I may say that it has been orally represented to me that such a reorganization as that proposed in Bill No. 4 would place translators on a higher plane in the public service.

It would be most interesting to know who has orally represented to the minister that the proposed reorganization would place the translators on a higher plane, and it would also be quite interesting to know who started all this discussion. One wonders whether the minister wishes to copy the Arthur Young classification and have another Griffenhagen disruption in the service.

Who wants this legislation? The minister says that it will improve the standing of the translators. Judging from what I have seen and heard, however, it is certainly not the translators themselves who are asking for it, because every one of them seems to be in a high state of excitement and apprehension. Surely they are intelligent enough to know better than anyone else whether this legislation will place them on a higher plane in the public service. Place the translators in a better position! Well, the French Canadian press of the country is in deadly opposition to the bill, and surely they could not have come to that conclusion without having given the matter some consideration. The following French Canadian daily newspapers have editorially opposed the measure: La Presse, La Patrie, Le Devoir, all of Montreal; Le Droit, of Ottawa; Le Soleil, L'Action Catholique, of Quebec; La Tribune, of Sherbrooke; Le Bien Public and Le Nouvelliste, of Three Rivers; L'Action Populaire, of Joliette.

Then I ask the minister: How is it, if this bill is to elevate the standard of the French language and improve the efficiency of the translators, the following French Canadian societies are all opposed to it and have sent resolutions protesting against it:

La Société Saint Jean Baptiste.
L'Association Canadienne de la Jeunesse Catholique.
L'Association Catholique des Voyageurs de Commerce.
L'Activité Nationale.
L'Union des Cultivateurs de la Province de Québec.
La Fédération des Clubs Ouvriers.
L'Association de Jeune Canada.

If this bill is to produce all these wonderful changes for the betterment of the translators and the improvement of the status of the French language in Canada, how is it that the select committee reported to the house in 1932 as follows:

> No complaints as to the quality of the translated texts were made to the committee. It was found that throughout the departments a general policy of decentralization is in effect. The adoption of such policy was the result of the question being explored in 1910 after a report was made by Mr. Achille Frechette who, under instructions from the Board of Internal Economy of the House of Commons, visited Belgium and Switzerland to observe the practice in effect in those countries. From the information before the committee, the general consensus of opinion in the departments is in favour of the statu quo.

How is it, if this bill is to promote efficiency in the service, to effect economies in public expenditure, that in 1932 all of the deputy ministers, when they were asked to give their views upon a scheme of centralization, declared themselves against it because it was harmful to the good administration of the departments, and because of the necessity of

having in each department a translation service where correspondence and confidential documents would continue to be translated without delay and without fear of indiscretion.

Who wants this bill? No one who can understand its pernicious effect, who can visualize the disastrous results it will have in lowering the present standing of the French language will vote for it. But there is certainly one thing that the minister cannot do, even if he desires to press this matter to the bitter end, and that is to include both houses of parliament in so far as translation is concerned. I am quite sure voices will be heard in another place protesting vigorously against any encroachment on the rights and prerogatives of both houses.

This bill provides by clause 3:

> There shall be a bureau under the minister, to be called the Bureau of Translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the parliament of Canada.

No one will deny and I hope the Secretary of State will be the last to deny that both houses of parliament have had and always will have certain rights and prerogatives and they should have untrammelled authority to discipline and control the servants of their respective houses. It is quite true that for some years in the past, officials of the house, so far as their appointments have been concerned, have been removed from the control of the house and placed under the jurisdiction of the Civil Service Commission. Whether that is a good move or not, I am not going to say at the moment, nevertheless I can say this: It was undoubtedly an unwarranted encroachment on the rights and prerogatives of both houses, and apparently it was consented to. By that I mean that by the 1919 Civil Service Act all staff positions, including that of the assistant clerk and sergeant at arms, in the House of Commons were taken away from the jurisdiction of this house, and were placed under the Civil Service Act, but this house did not take long to find the mistake it had made and in 1925 the Civil Service Commission returned to the House of Commons the appointment of the assistant clerk and the sergeant at arms.

It is quite true that parliament is supreme, and can at any time it so desires, divest itself of all its rights and prerogatives. It is also quite true that if the members of the house desire to divest themselves of any or all of their rights and prerogatives which under the constitution they have, they may do so, but I am one of those who believe that that should be the last step to be taken.

[Mr. Chevrier.]

I am one of those who believe in the spirit of the constitution and, moreover, I believe any attempt, however small it may be, which attacks or takes away from the constitution should not be allowed. I am one of those who believe the spirit of the law and the fabric of the British constitution and parliamentary system, under which it is our privilege to live, should be preserved. But if the members of this house and of another place continue to let go their rights and prerogatives, some day we may find ourselves no longer in control but under the jurisdiction of some irresponsible body.

Bourinot says:

> The control and management of the officers of this house are as completely within the privileges of the house as necessary to the conservation of dignity and the efficient conduct of public business by a legislative body as any regulation of its own proceedings within its own walls. These officers are under the guidance of certain rules and standing orders of the house, which are among the regulation of its proceedings and are as essentially matters of privilege as the appointment of committees, the conduct of public business and the procedure of the house generally, including the acts of the speaker himself in the chair.

The minister cannot take away from the houses of parliament its employees. In 1908 it was sought to bring the staffs under the Civil Service Act which was then being framed. The commissioners said this in their report, as it appears in the sessional papers of the house, No. 15, 29-A, at page 10:

> The commissioners considered that it would probably be beyond their powers to ask that members of the staffs of the Senate and House of Commons and of the Supreme and Exchequer courts should come before them, seeing that in 1892, the civil service commissioners were authorized to extend their inquiries to the staffs of the Senate and House of Commons, but on constitutional grounds the clerks of the two houses objected thereto.

The quotation may be found in the sessional papers of this house for 1892, volume 25, No. 11, at page 14. I shall not trouble the house by reading it.

In 1902 an attempt was made to interfere with the salaries of the debates translators of the House of Commons, and I take this extract from the debates of May 6 of that year as reported at page 4244. The Right Hon. Sir Wilfrid Laurier said:

> This is a matter which is more in the hands of the house than it is in the hands of the government. The house has thought proper, and with good reason, to keep in its own hands, everything in connection with the reporting of the debates of the house. The reporting is not done under the supervision of the government; it is done directly under the supervision of the house through a committee which is appointed every year for that purpose.

Then another attempt was made in 1908 to remove from the jurisdiction of the house a certain portion of its staff; that was when Mr. Fisher, on June 29, 1908, introduced an act to amend the Civil Service Act. At that time Sir Robert Borden said:

I do not desire to withdraw the permanent official staff of the House of Commons from the operation of the Civil Service Act, but I do suggest that the proper constitutional way would be to have the object of the bill accomplished by a resolution of the house and not by an act of parliament.

Mr. Lennox said:

I feel very strongly that we should aim at keeping a very effective control over the staff of the House of Commons in the hands of the members of the house.

Sir George Foster said:

I think the house should retain full control of its officers in every way.

Mr. Fisher then at the last said:

I will not insist, I thought that was a point on which the government should be guided by the judgment of the House of Commons and of the Senate.

Mr. Sproule added:

Does the minister think the Senate will give up its right to appoint and to supervise its own employees?

Then Sir George Foster said:

Neither would we like to have the Senate interfere with our rights and privileges. Nor would we like to have the cabinet interfere with them. I do not think the house proposes to consent to either.

It must be clear that at least the staffs of the houses of parliament cannot be included in this bill.

There is a final point that I wish to make. There are some who say that the passing of this bill will be the official recognition of the French language. The official character of the French language is clearly recognized and established by section 133 of the British North America Act and nowhere else. It is indeed a poor section, and I know it is, because I am one of those who in the ranks were privileged to follow and to fight side by side with such leaders as Hon. Senator Landry and Hon. Senator Belcourt, who have crossed to the great beyond but whose memory will linger long in the hearts of men of goodwill who struggle for the recognition of the French language in Ontario. Both these gentlemen many times rested their case with those men of goodwill upon section 133 of the British North America Act. Yes, indeed, the official status of the French language is contained in that section like the maple seed in its shell. Place the seed in hospitable ground; place it in soil adapted for fermentation and development, and that seed will develop into one of the mighty maples of which we are so proud. Place that seed among stones or in the arid soil, and nothing will come of it. In other words, that section must be fairly interpreted.

My forefathers, in their gallantry, placed their confidence and trust in section 133. Your forefathers, sir, accepted it like the loyal men they were. The few written words given by the French were accepted by the English; they were gentlemen and men of honour. In those days it was needless for our forbears to call for a notary or for a man learned in the law to write a long document in order to express what they put in three words. So it came to pass that section 133 became the scabbard of the French language on Canadian soil. True, the letter of the law is not there for hair-splitting demagogues and fomenters of disunion; but breathes there a man with soul so dead who would dare say that section 133 does not establish the official status of the French language in Canada? It is there in all its naked truth, and it is up to those with clean minds to understand it.

There will be those who will say that the present bill is the crowning piece of legislation that will at last and forever, in the most unmistakable manner, establish the official character of the French language; but who will believe that? A statute passed by this parliament has about as much stability or permanency as a permanent position has in the civil service these days. We are told that by this bill this parliament will proclaim the official character of the French language in matters not mentioned in section 133. Who will believe that? A subsequent parliament can repeal this statute just as easily as the present parliament can pass it, and the French language, if it depended upon this bill becoming law, would be about as official in stability as the loves of Ninon de Lenclos. At this moment I defy the Secretary of State to affirm in this house that this bill will be the official recognition of the French language. I am not surprised that the hon. gentleman does not answer.

Mr. CAHAN: You do not expect me to answer, surely.

Mr. CHEVRIER: I know my hon. friend will not answer, because he never has been placed on the horns of such a dilemma, and he knows what I mean. I feel great commiseration for the minister, because he has been forced to bring this adopted child into this chamber. If he desires further to establish the official character of the French language let him do so in the way he knows it can be done, by

a proper amendment to section 133. If he is so solicitous of the interests of those of whom he has spoken; if he wants to put them on a higher plane, let him take the means at his disposal in a constitutional way. The French language is one of the two official languages of Canada; that is not by virtue of a statute of this parliament, but by virtue of section 133 of the British North America Act. I quote Bourinot, fourth edition, page 208:

> When the two provinces of Canada were united under one parliament, it was provided by the 41st section of the Act of Union, that the journals, the legislative records, of what nature soever, shall be in the English language only, although translations of them could be kept among the records, or be deemed in any case to have the force of an original record. This law naturally created great dissatisfaction among the French Canadians, and it was finally repealed by the Imperial parliament after an address to the Queen had been passed by both houses.

From that time to the present, by virtue of section 133 of the British North America Act, the acts of parliament, the journals of this house, the orders of the day and the votes and proceedings, as they appear daily in French, are not translations but are originals just as much as these documents are originals when printed in English. Both languages are official. If an hon. member speaks in this house in French, the French which he uses is just as official as though he spoke in English, and any record or entry that is made in the journals or that may find its way into the orders of the day or the votes and proceedings in the French language is in the original official language. There is no translation, so called, into the French language of any of these documents I have mentioned. All acts of this parliament are printed and published in both languages, according to the provisions of the British North America Act. That act contains nothing which says there must be a translation from one language into another, because any act is official in either language.

Therefore the question resolves itself into one of interpreting what is an act of parliament. I am one of those who believe that anything which results from a deliberation, recommendation, statute or anything else of this house, which may be called an act of parliament, must be in French and in English; there is no translation about it at all. So it is my contention that when parliament decides that bonds or money, whether printed or coined, should be issued, that is an act of parliament, and the bonds or money should be printed or published in both languages.

[Mr. Chevrier.]

In a speech delivered on May 19, 1915, on the subject of the French language in Canada, the hon. member for Labelle (Mr. Bourassa) said:

> Article 133, the legal expression of the beautiful thought voiced by Sir John A. Macdonald, establishes the equality of status of both languages in all spheres of governmental activities and in the administration of national affairs. Any French Canadian taxpayer of Toronto or of Montreal, of Winnipeg, of Halifax or of Vancouver, has the right to exact that all documents of state be printed in his own tongue. He has the right to speak and to write in French to all and any of those in the federal employ.

That is the status of the French language to-day, sir, and to that status this bill does not add one iota. I am not complaining, because I understand that it cannot be done in that way. There is nothing in the bill that in any way heightens the official character of the French language, but on the other hand it does considerable harm to the status of that language. There is nothing in the bill, either explicitly or implicitly, that may be construed to give the French language in the houses of parliament or elsewhere any greater official status than it has at present under the constitution. Section 3 states simply that there shall be a bureau under the minister whose duties will be to collaborate with all departments of the public service in making a translation from one language into another. Further than that there is nothing. There is no direction or no order to the effect that all the reports and documents produced shall be translated into the French language. Moreover, under his direction and with the approval of the governor in council, the minister may make all regulations which by him are deemed necessary or expedient for carrying into effect the provisions of this legislation. The minister will have absolute control over what may or may not be translated. If any minister does not wish to have a translation made he simply need not order it or an easier way, he may ask for no appropriation with which to have the translation made. The select standing committee on printing may order that certain reports be printed. But there is nothing in this bill which places upon them the obligation to see that the reports for which there is an order for printing in English should also be translated into French.

Finally, this bill does not add one bit to the status of the French language, and in many ways decreases its present status. For these reasons, and for many others which,

because I do not wish to take up too much of the time of the house, I have not mentioned, I now move, seconded by the hon. member for North Timiskaming (Mr. Bradette):

That the word "now" be left out, and that the words "this day six months" be added at the end of the question.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I am sorry for once to have to speak in, may I say, flat contradiction of the hon. member for Ottawa (Mr. Chevrier) for whom I have the greatest esteem, and whose zeal for the people he represents, as well as for the broader rights of French people in general, I know full well. I do not propose to discuss now what I might term the constitutional principle of this measure. Without any disparagement of my friend I shall wait to see if some of the more authoritative members of his party take the same attitude, and reserve to myself the right, if necessary, to prolong the discussion on the second reading of the bill itself. I am now speaking to the amendment moved by the hon. member for Ottawa. For that reason I propose to deal exclusively with what I may call the administrative principle of the bill, and the practical results which will likely arise out of its application. As this is of special interest to the French members of this House of Commons, to the French press and to the French people at large, I shall take the liberty of presenting my views on that aspect of the question in the French language.

Translation: For at least forty years, sir, have I taken a great interest in the use of the French language in all that concerns the administration of public affairs: Parliament, the various departments, court of justice, etc. I think I can state in all seriousness that, owing to my age, I am somewhat entitled to discuss the French language, its rights and application.

Some hon. MEMBERS (Translation): Hear, hear!

Mr. BOURASSA (Translation): I may even say that there was a time when it was not as fashionable and as popular to speak the French language as it is today. I often stood alone, in parliament or elsewhere, in vindicating its rights. However, let us proceed.

This question of translation is most interesting. May I add, without slipping into the rut where old people often tumble, personal reminiscences, that, among all the members of this house, I am, perhaps, the one who has done more translations either from English into French or French into English. I began fifty years ago and have kept it up. I have translated public documents, parliamentary speeches—first, my own—from English into French and vice versa; and a hundred perhaps two hundred times have I realized in practice how true is what the hon. member for Ottawa (Mr. Chevrier) stated, just now: that a translator's task is not an easy one.

An hon. member (Translation): Hear, hear!

Mr. BOURASSA (Translation): Indeed, it is not a question of picking out the words which a bilingual dictionary places at your disposal to translate a French expression into English or reciprocally; one must possess the genius of the two languages and convey in appropriate French—or vice versa—the thought of the author whether it is a written document or a speech, and the exact meaning of an act or legislative measure, when it refers to a public document. Again, do I state it is not an easy task. I have often worked on texts when, after translating readily four or five pages from one language to another, I had to pause over a sentence or word which required an hour or two of pondering before being certain that I had translated the English expression by the exact and technically corresponding French expression. It is precisely on this ground where not only I disagree with the hon. member for Ottawa but where I also find that the measure brought down by the Secretary of State (Mr. Cahan) is apropos and beneficial.

I have visited, more or less, all governmental departments for nearly forty years. I have read numerous public documents. I have, in the old Parliament building, the one that burnt alas! Why were not more of the microbes we left burnt!—I have, myself, drawn the attention of departments and ministers, sometimes Liberal, sometimes Conservative, to the defects existing in translations, in the terms used, in the sense conveyed by the expression and, consequently, to the defect in the translation mechanism—namely the practical distribution of translation work among the various departments and the placing of translated documents within the reach of the French speaking public. After, all, that is what we want. It is not simply a triumph of national pride, the desire, legitimate no doubt but childish, to contemplate on shelves of public libraries a mass of books, blue, gray, yellow, whatever colour they may be and which are useless to the public because their publication was too long delayed. For fifteen, twenty years—even more, because I had done so previous to founding the "Devoir"—the Devoir, a newspaper which I founded and for

more than twenty years had the management, had persistently, in season, or out of season, so to speak, requested the publication, without delay, of annual statistics, trade bulletins and all documents which the public, professors, libraries and trade people—this is more pressing—require when such documents are useful to them. What happened and what is happening to-day? People require a trade bulletin, which is of interest to commerce, industry, dealing with a question of immediate interest upon which merchants, traders and importers wish to be posted. They write to Ottawa. The English copy is published, the French version is not. It is urgent, they request the English bulletin; so that when the French version is published, it remains in the cellars of departments. I came across such bundles, thirty, twenty years ago, also last year, in every department, here in the basement of the library and at the Government Printing Bureau; there are bundles and bundles of French documents which have cost hundreds of thousands of dollars to the country, yet were never useful to the French speaking public, because of the defect existing in the organization of the translation system.

The hon. member for Ottawa will permit me to state that here is an aspect of the question which is as interesting as that of discussing whether the number of men living at the government's expense shall be cut down by ten or fifteen. We shall recur later on to this question of organization.

To have a good translation, of course, competent translators are required. Here again, I agree with the hon. member for Ottawa, that qualification for the work cannot be acquired in one day. It is clear that a translator who has worked—providing he is somewhat intelligent and knows his business—ten or fifteen years in translating documents and reports of the Department of Agriculture, will necessarily be more competent in this task than he would be at translating diplomatic despatches in the office of the Secretary of State or External Affairs. That is a fact. But, just so, this bill the enactment of which I have personally been looking to for the last twenty-five years, in the interest of the French speaking public, French Canadian trade dealers and farmers—has for its further purpose to organize a translation bureau independent of all departments, so that a half-witted, blunt or ignorant deputy minister, such as were to be found under various governments and even to this day—will not prevent the translation of a document or will not deliver to the public a document which hardly holds together or is

poorly translated, simply so as to have the satisfaction of saying: "Why complain? I had it translated into French, it has been issued." Yes, but if it is Iroquois French, or again, if it arrives six months too late? At present, it is left to any deputy minister's whim to first hand over to the Printing Bureau and then to the public a poorly translated document which comes too late. I do not state that they are numerous but there are some. It is high time, for the honour of the French language, for the honour of the French Canadian nationality throughout the Dominion of Canada, not only for the French Canadians of Ottawa whom I esteem and respect, but for all French Canadians, it is high time that we should have a bureau for translations which will do honour to French culture, and, at the same time, remove the translation of documents from the whiffs and whims of a crowd of officials, of whom some are capable and may have knowledge of agriculture, but for the reasons set forth by the hon. member for Ottawa and myself, are not competent to revise translation.

Mr. CHEVRIER (Translation): Mr. Speaker, will the hon. member permit to ask this question: Would he be kind enough to point out where is to be found such provision in the bill.

Mr. BOURASSA (Translation): Do not take too much of my time, if you please. I have but forty minutes at my disposal. The bill, to my mind, embodies such provision sufficiently in paragraph 2, clause 3; in paragraph 2, clause 4; in clause 5 itself; in clause 6, with the regulations which it authorizes and, still more by the economy which the act contemplates. I have not the privilege of being a lawyer—

Mr. MERCIER (St. Henri) (Translation): It is even better.

Mr. BOURASSA (Translation): Don't be sarcastic! —however, I have had the opportunity of studying many acts, judgments and law-suits, and one thing always struck me, especially a good advice that I was given in my youth by a lawyer almost as competent as those who sit in this house, Lord Herschell, with whom I came in touch at Washington. Young man, he said to me, be very careful, in the course of your studies, not to linger too long over the particulars of an act, while failing to grasp its principle. It is of more importance that the law maker and the magis-

trate should first master the guiding principle of the law in order to be in a better position to interpret its various provisions.

If we wish to provide for an excellent knowledge of the French language, which we can display with pride before the eyes of those speaking the French language, throughout the world, we must have a bureau of translation organized from top to bottom, with a chief whose legal and administrative status would correspond to that of a deputy minister, in whatsoever department. That is the first consideration.

Let us now examine the service in connection with our international relations. In this matter I am pleased to give due credit to my old friend, the former Minister of Justice (Mr. Lapointe). Thanks to others, but especially thanks to him, let us recognize the fact, Canada, to-day, holds, in the international world, a position unknown to it previous to 1923, or 1926; Canada, to-day, is in touch with the various foreign governments and the League of Nations, at Geneva; this was unheard of twenty years ago. I travelled in the past quite a good deal in Europe, and I recall the time when out of one hundred Europeans I met, ninety-nine would say to me: How is it you come to Europe without adorning your head with feathers? That was the way we became acquainted. I do not find fault with these Europeans; because many of our Canadians, although they have dispensed with their feathers, they still convey the impression of having a mentality of the Hurons of days gone by, and even of the Iroquois.

The hon. Secretary of State has just found out just as my friend the former Minister of Justice had done so, Sir Robert Borden and Senator Dandurand as well, that most of the documents forwarded from Canada to foreign governments or to Geneva, are drawn up in English owing to the lack of organization which the Secretary of State pointed out and because a translation bureau was not organized. It was impossible to obtain, when required, documents translated into French which the government could forward to Europe. For, although we boast of speaking French as it is spoken in Europe, the best French, we, however, speak a French somewhat tainted with anglicisms—and sometimes with quite a number—with some loose and improper terms. Especially in the legal and official terminology, or in the civil code of Canada, the sense or the notion of the proper expression is lost, this applies to administration, scientific subjects, agriculture, geology or whatever it may be, but especially in what pertains to international law.

I need not go beyond this bill to find an example. There is a line where it is stated in English. "It shall be the duty of all departments of public... etc." How did our translators, whom the hon. member for Ottawa wishes to place above the French Academy, because of their superfine knowledge, translate this expression? "Il incombe à tous les département"...

Many words have various meanings in numerous languages. "Il incombe" has various meanings. In the common parlance, it designates a duty of some sort incumbent on one. In the legal terminology it is something entirely different. To say "Il incombe" in translating "it shall be the duty" is not correct. In the legal phraseology: I have met with the expression, such a document of the file "incombe" (pertains) to such a case, such an exhibit "incombe" (pertains) to such a file. It is not in the sense of a compulsory duty which an act enforces on the head of a department.

Take for instance the translation in connection with this parliament. For forty years have I been fighting my good friends, the translators on the ground floor, so as to have them cease making us say, in their translations, when we address in English the "chair," "à la chaise", as they call it at the Quebec legislative assembly, the only French speaking legislature in America,—"Monsieur l'Orateur" to the only person, out of the 245 members of this house, who has not the privilege of speaking. It is fortunate that there is one at least who upholds the honour of the house by holding his tongue. In order to translate English parliamentary phraseology, the first thing one must be acquainted with, is British history. Why say "Monsieur l'Orateur", Mr. Speaker, to the only person who has not the right to speak, but who is there simply to render decisions which, at times, are not worth much? It is because in London, when the house wished to protest against the encroachments of the crown or the aristocracy, the Speaker of the House of Commons proceeded to the House of Lords, his three-cornered hat on his head, and addressed the King, on behalf of the members of the Commons. He was "the spokesman of the Commons" which later became "the speaker"; and the translators of the house designate him as "Monsieur l'Orateur."

On many occasions I have personally translated my own speeches when, long ago, I attached some importance to what I said.

That is no longer the case. Why did I do so? It was not because I judged myself more scholarly than the translators; than some of them, yes; than others, no. I ranked myself as one of the average. It was because I felt that when I dealt with a constitutional question and spoke on subjects—precisely subjects which have interested me most in the course of my forty years of public life—when I discussed the conflicts between the people and the crown, or between the dominions and Great Britain, I drew from my knowledge acquired in the history of England, while these gentlemen, who, perhaps, are well acquainted with the textbooks on history which they studied with their a, b, c, at the primary schools in the province of Quebec, but who, nevertheless were ignorant of British history, and especially of its spirit, translated my speeches with words drawn from French dictionaries and distorted my thoughts. I have already stated in the house that I do not like to see my speeches slashed or otherwise distorted. I could give further instances, by referring to the Department of Agriculture. That would afford me the pleasure of doing justice to an old friend of mine, a true friend of the province of Quebec, of French Canadians and of Canada at large; I refer to Sydney Fisher, Minister of Agriculture in the Laurier cabinet. Sydney Fisher, as old parliamentarians will recall, was a highly cultured man. He belonged to that class of people, unfortunately now too few, English by birth, education and intellectual culture. He was a graduate of Oxford. He resided in the province of Quebec, where he unceasingly sought, in his humble way, which made him too little appreciated by his contemporaries, he unceasingly sought to bring the two races on grounds of mutual good will. The day he was appointed Minister of Agriculture or a few days later, he said to me: "Bourassa, my ambition is to avail myself of the Department of Agriculture so as to raise the intellectual, social and technical level of the "habitants" of Quebec. I have lived among them and like them, but they have not kept pace with the age, either as farmers or citizens, owing, perhaps, to the conquest or domination by an aggressive minority during so many years; or whatever may be the reason, they have not acquired the pride, but especially, this acumen of mind more necessary to-day than ever, even more so to farmers so as to maintain their position and economic condition, etc. Well, what did Mr. Fisher do? He gathered here all the most competent men whom he could find in the various branches of agriculture in Quebec. He placed some at the experimental farm, in his department, and I think I am right in stating that the chief translator of that department is one of these employees he brought here, a Frenchman from France, but very much a Canadian, just as a number of our colleagues in the house who were born in England, Scotland, Germany or elsewhere, and who have become excellent Canadians.

Let us now take up the Trade and Commerce department. This is one of the departments of which we complained for years, and not without cause, about the delay in the publication of documents, at times, about the defective translation, but especially, about the delay. I wish to-day to give due credit to the present Minister of Trade and Commerce (Mr. Stevens) for having accomplished so much within the last two years. The trade bulletin now is issued in French almost at the same time as the English version. The preparation of the Year Book is quite advanced, and numerous other documents from that department are issued to the French Canadian population with much less delay than in the past. However, there is still room for much improvement.

Well, for all these reasons, I rely on the enforcement of this act to harmonize the work of translation, so that a chief not connected with other departments, relying simply on his conscience and attainments, may say: Here are all the translators, I am keeping track of them; there are three here, two there, five to the right and one to the left. I bring them under the same roof and endeavour to judge of their qualifications; moreover, bearing in mind their years of service, each in their own work, I confirm them in their post and promote them according to their abilities.

The hon. member for Ottawa states that it would take a Pic de la Mirandole! I have somewhat studied history. The Pics de la Mirandole, people who have become too learned, at seven or eight years are generally poor administrators. Do not talk to me of brains that have been crammed too early in life. As Richelieu, the greatest statesman that France has had, and one of the ablest statesmen known throughout the world, as Richelieu said to Louis XIII: The qualifications required for one at the head of a state—and I would apply this to all heads of departments—is not the fact of being a book worm in each and every department placed under one's charge; but to be sufficiently acquainted with them so as to judge whether the men he employs are, each of them, competent in their department. A

chief must not be a book worm, because the latter are generally short sighted, and as they require powerful glasses to examine a small text, they lose sight of the general perspective.

A chief of translation who would assemble his whole staff, distribute the work fairly and with circumspection—one cannot take for granted that the minister who is responsible will intentionally choose an imbecile, that is what a number of ministers have done in many departments; however, we must take a chance.

The whole question is whether or not, for the reasons I have pointed out, speed and efficiency in the performance of the work, a bureau for translation would be desirable.

Let us step down to the level where the hon. member for Ottawa has placed himself. I understand his position and sympathize with him. I recall the time when our old mutual friend Belcourt, had a weekly fit of bile, because people in Ottawa were ever seeking positions and promotions. The hon. member is obliged to take that stand, that is part of his parliamentary duties.

Mr. CHEVRIER (Translation): No.

Mr. BOURASSA (Translation): Yes.

The hon. member for Ottawa should not say no. He carries out his task diligently and conscientiously, which permits me to state that he is one of the most efficient members that Ottawa has ever had. I shall not say that he is either a great man or a tall man. A tall man, he would be the first to deny it. A great man, time will tell, fifty years hence. Let us leave to posterity the care of erecting the moral stature of all and each of us. But, as a matter of justice towards employees, does he think that it is common sense, do my French Canadian colleagues think it common sense that, in one department, Agriculture, seven translators, in the course of the year, translate each 568 pages; that in another department, Immigration, two translators translate each 46 pages, in a whole year; that in the Labour department, two translators translate each 548 pages; that in the Public Works department, three translators translate each 108 pages; that in the Trade and Commerce department, four translators translate each 1719 pages; that in the department of Mines, three translators, the same number—no, one less—translate each 148 pages.

As the present system works out, it is most unfair to translators. So long as this system is in force, there will always be a number of parasites and lazy persons who will live at the public's expense and at the sacrifice of a colleague who does the work of two persons and—I place this consideration before you, my colleagues speaking the French language—live at the expense of the good name of our race.

The hon. Secretary of State stated that it was not his intention to dismiss any translator. So much the better, if he can find work for them all. However, on behalf of French Canadians, I request the Secretary of State that when he finds a lazy, good for nothing fellow or a drunkard, whether he is a French Canadian or not, let him put him out.

Some hon. MEMBERS (Translation): Hear, hear!

Mr. BOURASSA (Translation): There are too many good people, heads of families who are starving in our respective counties, so that we have no right of taking to task a minister whose intentions are of the best, in order to force him to keep lazy men, when, every day, poor people knock at our doors.

Mr. CHEVRIER (Translation): Will the hon. member allow me?

Mr. BOURASSA (Translation): No. I do not wish to be personal however, the hon. member is aware that there are some.

Mr. CHEVRIER (Translation): No, I am not.

Mr. BOURASSA (Translation): First, I shall put a restriction and objection to the hon. Secretary of State. He limits himself, by section 5, to the appointments made by the Civil Service Commission. As a general principle, that is right, I opposed the bill introduced, two or three years ago, by my good friend, the member for Dorchester (Mr. Gagnon), so as to return to the political patronage system. I have always had and still have the patronage system in horror; however, once again, the rule is not without an exception. Owing to the unique character of translation, the difficulty of securing competent translators in agricultural matters or in other technical subjects, I think that—this will be considered by the committee—the minister should not be restricted by the Civil Service Act, in the appointment of the superintendent or technical translators, because he could find persons more competent, who, owing to their age or other matters of detail, would not be eligible according to the Civil Service Act and who, nevertheless, would be much more qualified to fill such posts than young men who might have successfully passed the examination. It is quite right that the act should

be adhered to, but under the control of a superintendent not connected with the other departments; but nevertheless, responsible to the minister.

Let us now pass to the question of parliamentary debates. The hon. Secretary of State gave us to understand, to-day, that there will be some change made to the bill, in order that this new department may be divided into branches. I think he is right.

I may even add that such are my views expressed more than once, in an intimate way, to a few persons who may have had some hand in the draughting of this act. I think that owing to the considerable difference between the work of the translators of the house and that of the translators of the various departments—always under one sole supervisor—it is quite proper that there should be two branches.

I repeat it, there is no constitutional question to be raised, on the second reading of the bill. One could prolong the debate on this question. Parliament, under the rule of Alexander Mackenzie, and having as sponsors Edward Blake, Mr. Fournier, later on a judge of the supreme court, Laurier, who was to be the future leader of the Liberal party, enacted two of the most beneficial measures that have ever been adopted in Canada: the act relieving the house of its jurisdiction over the mandates of its members, one of the fundamental principles of the liberty of the Commons; the other relieving the house of the daily and efficient control of the disposal of funds which it votes, by creating the Auditor General's office which our translators designate as "auditeur général"—a man who is listening, that is the translation given to designate the Auditor General's office. We have at present an auditor general's office over which parliament has no authority; and parliament, indirectly, has to bear up with this control over the funds we vote. This was found necessary for reasons of a political order. I need not go into details, the reason for such legislation may be found in the debates of that period; and I think that no Liberal can feel ashamed of these two acts, draughted by the most respected and eminent men of their party. I do not think that the Liberal party in Canada has ever produced two more eminent men than Edward Blake and Laurier.

Therefore, the question of parliamentary control does not strike me as being very important. However, I think that the two branches should be separate. Does this mean that about fifteen employees who work four months each year should, with the conditions that prevail at present in this country, remain inactive during eight months or earn some money elsewhere? We are paying them from $3,000 to $4,000 per year in round figures, to only work four months, or let us say five or six months. I ask the hon. member for Ottawa, but in particular the hon. members for the city of Montreal: When this measure is explained to their constituents, what figure will they cut? When their constituents are starving, fathers have no bread to give to their family, will they boast of having voted in the house to allow fifteen gentlemen, some of them bachelors, to earn $4,000, in five or six months, so that they may rest seven months? They will soon find out what French Canadians think of this so-called claim of race rights. This also applies to the house stenographers. Here are employees that I have known for thirty years, and I have always considered a number of them as intimate friends. However, my duty to my country and social justice takes precedence over my friends; I therefore state that it is unprincipled at the present time, when we cut off 10 per cent of the salaries of all public employees, fathers of families who earn $1,000 per year, working the year around, and having to sacrifice $100; I say it is unprincipled not to make about thirty employees, whether stenographers or translators, work two or three months more, when commissions are sitting such as the ones investigating bank affairs, tariff or others which are not connected with parliament, but which, however, were appointed by parliament. Will hon. members contend that it is divesting ourselves of our privileges to force these gentlemen to work or must we allow them to loaf as we do? There are enough of us!

My dear friends—pardon my familiarity—a few weeks ago I told you: Feel the public's pulse. It is not a question of coming here and contending that to be in the good grace of our friends we must comply with the "Droit" or "Devoir," so as to draw their praise or avoid their abuse. I have been aware of this fact for forty years. We hold a mandate from all classes of people; I therefore, contend that we should, first preoccupy ourselves with the common welfare, especially that of the average.

I do not wish to prolong the debate, you will allow me, sir, to apply the five or ten minutes which remain of my time to discuss the question of the rights of the French language. The hon. member for Ottawa spoke with much skill and wit, as to the value of this bill in guaranteeing the rights of the

French language. He contends that it adds nothing and even may lessen this guarantee. Again, I do not claim to be a lawyer, however, I have devoted much time to the study of constitutional law. I once heard Sir Charles Tupper, with the energy which characterized him and his powerful voice, state that if, to become a lawyer, one must learn how to split hairs in four and lose one's common sense; he preferred not to be a lawyer.

I thought I heard the hon. member, while quietly smoking my pipe behind the curtains so as to seek some inspiration—because it is usually while smoking a pipe that I find such inspiration—I thought I heard the hon. member quote one of my speeches, I do not exactly remember the year, in which I quoted Article 133 of the Constitution as a basis for our rights I have not the quotation here. May I immediately confess: I have said a lot of nonsense in my life; that may be one, however, from where I stood, I think I caught the sense of this quotation ten years old or more. I then spoke, often, of the "right" of the French Canadians to their language in all spheres of our national administration; but then, as to-day, I was aware of the chasm existing between right and law.

According to the spirit, article 133 recognizes, in principle, equal rights for the two languages; however, in practice, in the words of the act, it restricts the compulsory use of French—compulsory, remember—to the printing of documents of the house and the printing of the statutes; that is all, then a period. Even as regards to the debates of Hansard, instituted four or five years after confederation, I have strong doubts, if from a strictly legal angle, this privilege of taking down stenographic notes, each in turn, of the French and English speeches, and after having both texts translated, I have strong doubts, I state, that such a privilege is covered by article 133. Let us suppose that it is a moral right. Since when in history, have you seen a moral right recognized when it is not backed by the wording of the act? What I find in this case—that is why I approve of this bill—is that, for the first time, in legislation introduced by the government, bearing the seal of government responsibility, and adopted by the house, the French language, both in fact and right, in law as well as in the spirit of the constitution, shall in the future be on an equal footing in the administration of all departments, and that it will no more be left to the whims of a minister or deputy minister, however narrow-minded or dull he may be, to restrict this right by a narrow and pharisaical interpretation, because he will then have before him the wording of the act.

The hon. member for Ottawa states this act may be abolished next year. No doubt Such may be the case with all laws. We can do so to-morrow, if we are silly enough—if the session lasts long, anything may happen—we can enact a measure, to-morrow, to abrogate the criminal code and give "carte blanche" to all our criminals; we can enact a measure to do away with hon. gentlemen, the minister, and proclaim that the country will govern its ownself—perhaps, it might not be worse off. It is hard to tell, we can abrogate any statute. Since the Westminster statute has come into force, we can, if we wish, amend any article of our constitution, including article 133. But that we should add to the incomplete and embryonic article 133, an act adopted by this house so as to give effect, in practice, to the principle embodied in that article, I contend that we raise the wall which protects our rights in all the administrative spheres of Canada. I maintain that we give a legal form, a term no more restricted to the Imperial parliament—because we must remember that, in its original form, the British North America Act is an imperial one, if we wish to look at it from a strict legal interpretation—however, by a measure enacted by ourselves, we give our sanction, we spread it, we make its enforcement practical in all departments. And I stated that, in my opinion, the measure introduced by the Secretary of State is an excellent one and is well deserving that we should overlook certain questions of detail.

In the study of acts as in all other measures, let us beware of this tendency of the French character to peer into, as I stated just now, details with a magnifying glass and lose sight of the fundamental principle and the general economy of legislative measures.

It is with both hands that I welcome this bill, as a crowning event of forty years of conflict carried on in defence of the French language, when three quarters of the French Canadian Liberals fired in my back and called me a traitor to Laurier, a struggle which I carried on in agreement with the Liberals and Conservatives of goodwill—there were always some not only among the Canadians speaking French, but also among the Canadians speaking English, in the other provinces. When a rational question is placed before them, supported by arguments not drawn by pinches

from such and such a text of law, but arguments which appeal to common sense, to the sense of fair play, I state we always obtain results; not always immediately and such as we expect, because an Englishman is slow, deliberate in his movements, it is hard for him to cast aside his prejudices; but once his thick skin has been pierced, when he has become convinced that a measure has common sense, that it is practical and just, one has sometimes to knock hard to pierce that skin, but once that is done, we usually find among most of them, an upright conscience, a well placed heart; and they apply the act in a broadminded way.

I shall therefore support the bill, leaving to the committee which will be appointed the care of examining it in its details, improve on it if necessary and send it back to the house so that we may give it a final sanction, to which, I feel certain, after studying and thinking it over, the large majority of French Canadians will support it, in spite of the beclouding of the question by newspapers and patriotic associations which have been handing to one and other scraps of papers without, I feel sure, having closely studied the question.

At six o'clock the house recess.

After Recess

The house resumed at eight o'clock.

Mr. JOSEPH A. BRADETTE (North Timiskaming) (Translation): Mr. Speaker, we had, this afternoon, the good fortune of listening to the splendid speech delivered by the Secretary of State (Mr. Cahan) as well as that of the hon. member for Labelle (Mr. Bourassa). It brought back my happy boyhood days, when I resided in Montreal, where, on many occasions, I was fortunate enough to hear these two gentlemen discussing national questions which interested the whole country. Useless to state that I was in no way disappointed in listening to their speeches. One thing struck me; the hon. member for Labelle thought fit to confess that in the past, on various occasions, he had talked nonsense. I accepted his statement in the way he intended it to be understood, because the hon. member was then replying to a question of the hon. member for Ottawa (Mr. Chevrier) with reference to the question which at present interests us, and which was threshed out to a certain extent, in a masterly way by the hon. member for Labelle. No doubt had the Bill No. 4 been introduced by the hon. member for Labelle, that would have been sufficient for me to endorse its second reading. However, to a question put by the hon. member for Ottawa, the hon. member for Labelle refused to reply, namely, would not this bill do away, to some extent with the practical establishment of the French language in Canada, basing such an argument on article 133?

To another question, sir, put by the hon. member for Ottawa, the hon. member replied very discourteously. He stated, however, that certain statements he had made in the past were purely and simply nonsense. In fact, the hon. member for Labelle, in the past, did make statements which smacked of nonsense on certain questions which interested the country at large. Does the same principle apply to the speech which the hon. member has delivered in the house on the present debate?

What also amazed me, was the hon. member's little reliance in the press of this country. When the author of the present amendment pointed out that the French Canadian press feared that the bill under consideration might be a blow to the French language, the hon. member for Labelle asserted that the press had no reason to protest as it did. The hon. member, therefore, proved that he placed little reliance in the press of this country. Nevertheless he was a director of the excellent French Canadian newspaper "Le Devoir"; he was its manager for years, if not the proprietor and editor. He fails to uphold the press when he states that he places no reliance in it, moreover, the hon. member gives the impression that he is against the entire press of the country. If he places no reliance in editorials he wrote in the past, and in the editorials which will again be written by him, what will the people of Quebec and Canada think, whether they be French or English speaking when they read articles, editorials penned by the hon. member for Labelle, on various occasions, with reference to our great political problems? His references to the press of this country, implies also a newspaper of Ottawa the "Droit." The hon. member for Labelle, this afternoon, without making a solemn declaration, gave us to understand that he also, in the past, worked to have justice done to all classes of this country. I have, sir, no direct or indirect interest in any newspaper. However, I am strongly of the opinion that the press should inform the public on questions in which they have an interest at stake. The "Droit" for fifteen consecutive years has

considered it a duty to put clearly all facts before the people of Ontario. Hon. gentlemen are aware as to what happened, when in 1912, the famous regulation XVII was placed in the statutes of Ontario. Under the direction of this independent newspaper, interested in this question, the cooperation of not only the whole of Ontario but of Canada was asked, all were called upon to do their duty and to inform the people of the facts in this respect.

Thanks to the hon. gentlemen that we elected to the Ontario Legislative Assembly and thanks especially to the work accomplished by this excellent newspaper, the "Droit", peace reigns in Ontario and there is a complete understanding between the various classes in the community, between French and English Canadians. This result is due for the major part to the campaign waged by this newspaper. That is why I rise to protest against such a statement made in the house. I could point to a long list of distinguished persons who also did their utmost to solve the problem to which I have just referred. I may say that I also did my bit to improve conditions and help those who had to suffer on that account. That is why I feel quite at liberty to deny certain statements made this afternoon.

The hon. member for Labelle alluded to the conduct of certain officials in the house, of certain public employees, and particularly to certain translators. When he was asked and pressed to name them, he refused. He called them lazy fellows, drunkards, etc. Remember that such a statement falls from the lips of a distinguished and able man. The hon. member for Labelle attacks all public employees outside this house when he makes such a statement. When an hon. member makes a charge, he should, at least be very sure of his ground.

Other assertions were also made in the house by the hon. member for Labelle. He stated that certain translators in such and such departments translated so many pages—however, he mentioned no names. In one instance, a translator only translated 44 pages per year. When the hon. member refers to such translators he should give their names and not hide behind the immunity he enjoys in the house to make such charges.

I repeat that if the object of the bill was really what the hon. member for Labelle endeavours to make us believe, I, myself, would endorse the measure. Certainly, the hon. Secretary of State was not so clear in his remarks. In fact, he spoke of uniformity and economy, but he did not go so far as the hon. member for Labelle who stated that the object of the bill was to increase French influence, to ensure greater recognition of the French language in all dominon government matters. I shall not endeavour to further reply to the statements of the hon. member for Labelle. However, there is one thing that hon. members of this house must have noted, it is the fact that the discussion has carried on outside the field of politics. The hon. Secretary of State, for whom I have the greatest esteem, must have noted that the hon. member for Ottawa made out a strong case from the viewpoint of translation, the efficiency of the service and even from an economic angle; he also found it possible to discuss this question without entering the field of politics. However, I greatly regretted to see that the hon. member for Labelle (Mr. Bourassa) thought fit again to make insinuations stating that he could understand the sympathy displayed by the hon. member for Ottawa towards the civil service employees and that it might be to his interest to act thus. Such charges cannot be levelled against me because I do not think I have ten public employees in the constituency which I have the privilege of representing. However, it is recognized that the hon. member for Ottawa has proved himself greatly competent in discussing all questions which pertain to the civil service and those having a national issue. He again proved this fact, this afternoon. That is why I took this opportunity to refute the charges which the hon. member for Labelle thought fit to level against the hon. member for Ottawa.

(Text) Mr. Speaker, I fully realize the importance of the problem under discussion today, and I am sure it must have been gratifying to the Secretary of State (Mr. Cahan) as well as to others who followed him, to find this debate lifted entirely out of the realm of politics. The Secretary of State certainly put his case wonderfully well before the house, and he approached it to some extent from a different angle than he did on the first reading. At the time of the first reading of the bill the impression was created that the intention was primarily to promote efficiency and economy; this afternoon the minister enlarged upon his former explanation. We had the gratifying spectacle of one of his old colleagues—I refer to the hon. member for Labelle (Mr. Bourassa)—supporting this legislation. Speaking for myself, in view of all that was said this afternoon by the hon. member for Labelle, in view of what he propounded, if he had himself introduced this bill I do not think that any member of the house could find it possible to vote against it. In reply to a direct question asked by the senior member for Ottawa

(Mr. Chevrier) this afternoon, however, the Secretary of State did not discuss the subject from the same angle as did the hon. member for Labelle. As for the two reasons advanced by the minister when he first introduced the bill, the reasons of efficiency and of economy, I do not think that the members of parliament can find fault with it. Everyone wants efficiency, not only in the matter of translation but in every department of government; and while undoubtedly there are times when it is rather dangerous to go too far in the direction of economy, I do not think that on that score it can be complained that we shall not obtain greater efficiency.

If my recollection is correct, when the bill was originally introduced, the Secretary of State tried to build up his case for the centralization of the translation services on the fact that his own department had found it impossible to have a translation of the speech from the throne. Well, I know enough about the administrative powers of the Prime Minister (Mr. Bennett) to feel assured that if the Secretary of State had brought to his attention the fact that there was any difficulty about obtaining any translation in his department because of an insufficiency of money for the purpose, the Prime Minister would have seen to it that an adequate number of translators were provided for the purpose; because after all the Prime Minister would never sacrifice efficiency to economy.

On the question of the centralization of translators, a good deal can be said both for and against it. Personally, as a layman not very well versed in civil service matters, I think I could point out several departments that could be brought under a centralization scheme. But, as was pointed out this afternoon by the senior member for Ottawa, in the work of translating reports and so forth there are a certain number of experts, technicians, in the various departments, men who have spent long years of training to equip themselves for a particular type of translation. The question might be asked, for instance, as to what the Secretary of State would do with regard to centralizing chemistry. We know that throughout the activities of the government there are several departments in which chemistry plays an important part; we find this in the mint, in the mines branch, in the Department of National Revenue and in several other departments in each of which there are chemists working on the same kind of formula and each has had special training for that particular work. I know the Minister of Agriculture would certainly criticize anyone who would dare to transfer to the National Research Council the chemists under his own supervision.

While it can be easily proved that certain departments could be centralized, it could also be easily proved that so far as ability and efficiency are concerned, there are certain other government departments which it would be impossible to centralize. What I have said in regard to chemists could apply as forcibly to other specialized type of employees. I have in my hand a memorandum by the Civil Service Commission under date of April 15, 1924, reading as follows:

> Most departments have a small but expensive translating staff, not only to handle French correspondence, but also departmental publications and general translations. . . . A central unit would handle translation other than departmental correspondence. . . .
>
> Under proper organization there would be a saving, not only by the elimination of positions which would naturally become surplus on amalgamation, but also by reduction in the classification of others, for example, eleven head translators would scarcely be required in the new branch.

From reading that part of their report one can readily see that it is not in conformity with the statement made by the Secretary of State this afternoon. Speaking of centralization he presented a picture that, if I understood him correctly, would lead one to believe that while this is called centralization, it is really decentralization because he will maintain as an entity the translating staffs of the House of Commons and of the Senate and in addition a certain amount of liberty in all the departments. He almost implied that in all the other departments they would maintain practically the same staffs. The only difference I can see is that over and above all the translators there will be a deputy minister or a man having the qualifications necessary to be at the head of the branch who will have complete control of all the translating. That is the inference I drew from the speech of the Secretary of State. If my inference is correct, we are not going to have centralization. It means simply that the Secretary of State now recognizes that centralization of translation is impossible of application.

This afternoon the hon. member for Labelle spoke of the superman, the man under whom we could centralize all the different translators and under whom the translating work would be perfect. He made allusion to certain words: he mentioned, for instance, the fact that "the Speaker of the house" is always wrongly translated in the French language. He should not be called "speaker" because as a member of parliament he never

says a word. This afternoon the hon. member for Labelle mentioned the word "sottise." In English it means "silliness, foolishness, folly; silly thing, foolish trick, nonsense, indecency, insult; abusive language," and in French it means "défaut d'esprit et de jugement, action sotte." This simple illustration will make us realize that even if we have only one man at the head of all the translators, we would find some anomalies; we would not have perfect service.

The Secretary of State this afternoon made out a great case by exhibiting in the house a number of documents that were printed at the printing bureau and that were returned with a large number of corrections to be made. If those were all the corrections that would have to be made in a year, surely he could not say that that was too much, because even in the best organized printing bureau in Canada or any other country, there would always be corrections to be made and surely we could never expect that under a new head the work would be so perfect that there would be no need for correction in work sent back from the printing bureau.

Personally I do not contend that some improvement could not be made in all departments, including translating. While the translation service is loyal and has given good work, no doubt it could be improved in some respects, but surely no one can tolerate the reflection cast this afternoon on the translating staff as well as on the whole civil service.

As regards the matter of centralization, why has the government singled out the one branch of translation? A great case is being made at the present time of the fact that the accountants are under one branch. This matter was well explained this afternoon by previous speakers, the senior member for Ottawa, and the hon. member for Labelle. Accountancy is practically the same the world over; an accountant is recognized in Montreal, in Vancouver; ledger entries are practically the same everywhere. Expert men are not required; those that are needed are men who have certain qualifications, who go through a specific course and who prove by passing a civil service examination that they have the qualifications for filling the position. The Secretary of State made a great point of the fact that government accounting work had been centralized. In the same memorandum that I mentioned a few moments ago the Civil Service Commission also recommended the establishment of:

1. An engineering and scientific service to assume the work for the Departments of Public Works, Railways and Canals, Marine and Fisheries, water power branch.

At the present moment, so far as those departments are concerned, there is no mention of amalgamation or centralization.

2. A central accounting service for all government departments.

So far as I can see this is the only service that has been centralized and again we do not need in that work the same measure of expertness as in the translation service.

3. A central purchasing service for all government departments.

Everyone knows that there is an overlapping in the purchasing branches of the government, and again I do not see any sign of any measure to bring about centralization of this work.

4. A central multigraphing and duplicating service.

Again there has been no discussion on this matter and there are no signs of centralizing it.

5. A central photostat, blue-printing, photolithographic and photographic service.

No one has heard of centralizing those activities.

6. Amalgamation of income tax service and Department of Customs and Excise.

Instead of these two departments being centralized, they have been put apart. For instance, the income tax branch has been placed under the Civil Service Commission and instead of centralization of these two departments, for the last three years there has been decentralization.

7. Amalgamation of Surveys branches.

This has not been accomplished so far as I know.

8. Possible amalgamation of Departments of the Secretary of State and External Affairs.

This amalgamation has not been brought about, although it was suggested in the memorandum.

9. Transfer of all legal officers to the Department of Justice.

I am not so much in favour of the centralization of that service because the principle applying to translators and chemists applies just as forcibly to the law branches of the different government departments.

10. Consolidation of departmental libraries and establishment of a central reference library.

So far as I know, there has been no centralization along those lines. Therefore, when the Secretary of State to some extent

decried the campaign that has been going on for the last two months in the French speaking section of the press of this country, he should not be surprised because the question is: Why was the translation service singled out from all the other recommendations that were made a few years ago? There is also the fact that when the deputy ministers were asked to give their views in regard to centralization of the translation staffs in their various departments, they unanimously declared that the system in vogue was giving satisfaction to all persons concerned. I agree with the hon. member for Labelle that if the present bill will assure us better translation service, certainly we would all be in favour of it, but the Secretary of State this afternoon mentioned the fact of delays of months in the printing bureau. Will he place the blame wholly on the translation staffs of the different departments? He was not very clear when he made that statement. Nevertheless the impression was given in the house that the blame should be placed entirely on the translators in the different departments. I do not believe the condition is so bad as has been stated, and surely the translators should not be expected to take all the blame.

Then there is the matter of more efficient service; as I said a moment ago, Mr. Speaker, everyone wants efficiency. This afternoon the hon. member for Labelle (Mr. Bourassa) made some reference to the wonderful improvement that had been made in the Department of Trade and Commerce. That is absolutely true. Some documents which were not printed simultaneously in both languages a few years ago are printed in that way now. I remember that last year I directed the attention of the House of Commons to the fact that a certain document dealing with statistics was being issued in the English language only, and a few days later we had that document translated into French. Surely the same improvement could be made in all the departments of the government. I know enough of the present Prime Minister, the Secretary of State and the government in general to be sure that they will never sacrifice efficiency for the sake of economy.

I hope the Secretary of State realizes that the criticism expressed this afternoon was not directed at him personally. We all know his personality and his true Canadianism; we all know that he always has been fairminded and just. The criticism was directed to the bill which he brought into the house, and the criticism was to the effect that he has been ill advised. We think this bill is illtimed; that it did not originate with the Secretary of State but with some of his advisers, for some unknown reasons. Last fall I was fortunate enough to assist at a banquet given by the university of Ottawa at which the Prime Minister made a wonderful address. At that time he demonstrated his knowledge of the different elements which make up the population of this country, and their aspirations; and at the conclusion of his remarks he received great, spontaneous applause. That is why we do not direct our criticism against the Secretary of State personally; we know he wants to be fair to every section of the population.

With regard to the question of economy, I could enlarge on that subject at great length, but I believe it has been shown that no real economy will be brought about by this measure. According to the minister the present staff will be retained, at least, and presumably there will be some superior officers appointed. If the idea of centralization is carried out to the full, it will mean that the present translators in the different departments will have to be housed in one large office, and a staff will have to be engaged. I ask hon. gentlemen to visualize the number of messengers who will have to be employed if this central office is to keep in hourly contact with every department of the government. I should think a staff of at least sixty messengers would be required for that purpose, so I do not see where this measure will bring about any economy.

This afternoon the hon. member for Labelle made out a wonderful case against the translators and reporters of the Senate and House of Commons. I know something about stenography, and I can tell you that those people earn every cent they get for their work in this house. It is always possible to single out certain people in the civil service and say that they earn $4,000 per year while other men are out of employment at the present time; that is what the hon. member for Labelle did. Surely it is not to the credit of the hon. member for Labelle to reflect on the civil servants employed in this house in order to build up a case; as I say, I know something about stenography and something about the work the reporters are called upon to perform, and they earn every cent they get. The same statement applies just as forcibly to the translators. They do not work in shifts; they work very long hours, but they are just as loyal as are any other civil servants. The senior member for Ottawa (Mr. Chevrier) demonstrated this afternoon that these translators cannot work in shifts; you will not have efficient service if you try to

adopt that method of procedure. So I believe I have shown that under the present bill there will be no economies brought about, and I am sincere in my statement, because I believe in the sincerity of every hon. member of this house. It would never enter my mind to cast any reflection on the sincerity of any hon. gentleman, no matter in what corner of the house he has his seat.

It may be said that it is impossible for the Secretary of State to withdraw this bill gracefully, but if a faux pas has been committed surely a way can be found to withdraw without dishonour. I have in mind a condition which existed for many years in the province of Ontario; I refer to a certain rule that was put on the statutes of Ontario in 1912 by the then Minister of Education. In all sincerity the French speaking minority in Ontario thought they were being done an injustice; we felt that we were being treated like the poor relation in the household. Through our press and our representatives in the Ontario legislature we created a feeling in Ontario which ultimately resulted in the withdrawal of the rule. We were not violent in our campaign, but we knew we had justice on our side. In 1927, fifteen years later, the gentleman who in 1912 had been Minister of Education was premier of the province of Ontario. I did not always agree with his political opinions; on a great many occasions I found it possible to criticize his administrative actions, but after that gentleman visited every section of Ontario, understanding our viewpoint, he realized that we only wanted to play our part in the development and advancement of the province, and eventually that rule was withdrawn from the statute. Do you think the then premier of the province of Ontario decreased in political stature in the least as a result of that action? No; he became not only a provincial but eventually a national statesman. Certainly he was not dishonoured, and I do not believe the Secretary of State will bring any dishonour on himself in withdrawing this measure. In his own speech this afternoon he practically admitted that there has been criticism of the bill from many organizations in all sections of Canada.

This afternoon the hon. member for Labelle said that you should not listen to the press. I was astonished at that statement, because I read with almost religious ardour several of the articles which I found on the editorial page of the newspaper of which he was the founder and, until recently, the owner and editor. The motto on the front page of that publication, in which I understand he has no interest at the present time, is: Fais ce que dois. So I think we must believe in the sincerity of the things that are done both in and out of this house; I give all credit to the Secretary of State for being sincere, but I am afraid he has been badly advised in this connection. Should he find it possible to withdraw the bill he will not be disgraced because, as I have said, there was almost a parallel case in the province of Ontario.

Again I want to remind the Secretary of State that the criticism he has read in the newspapers and to which he has listened in this house was not directed at him personally. No one, I think, could cast any doubt on his sincerity, because we all know what he has done for every section of the population in Canada. He typifies to every citizen, and most particularly to French Canadians, the Anglo Canadian, the man who is naturally broadminded, and who speaks bilingually, and thinks and acts nationally. I believe, the same as he does, in our great British institutions, in the purpose of our parliaments. I am perfectly at ease making an appeal to him, knowing that my message will be received in the spirit in which it is given.

This afternoon the hon. member for Ottawa made allusion to the Frechette report. I was going to answer the hon. member for Labelle on the statements he made this afternoon, but I find that for a very good reason I am not in a position to do so. He built up a strong case in favour of centralization, stating that for the last ten, twenty or thirty years in the several visits he had made, almost weekly, to several government departments he had found great masses of documents in English which had not been translated into French. I thought we had had centralization prior to 1910, but the information I have received since is to the effect that in fact we have never had centralization in Canada.

This afternoon the senior member for Ottawa read almost the whole of the Frechette report into the record, so that at this time it is not my intention to go into it at length. This report was made after inquiry into the conditions in some bilingual countries. It was made by a man who did not belong to the civil service and who, because of that fact, was in a position to give an impartial and a just report of what he found. Upon returning he expressed himself as absolutely opposed to the centralization of the translation services, so far as efficiency was concerned.

I wish at this time to quote an article which appeared in Le Devoir in the month of February this year. No doubt this is the article to which the minister referred this afternoon

when he mentioned the campaign in the press which he had had to face for the last few months. This article will give an idea to the House of Commons of the constructive criticism which was levelled at the Secretary of State, and the respect which was shown, even in the criticism, for his personality. I have made the following translation:

In the first place, whatever be the intrinsic merit of the proposal, whatever peril it may conceal, we are one of those who, being cognizant of Mr. Cahan's early activities and of the heavy sacrifices—much heavier than one is apt to surmise—toward vindicating the rights of minorities, find it impossible to consider him in the light of an enemy of our ethnic group, and are unwilling to do anything towards diminishing the share of influence which rightly belongs to him in the sphere of dominion affairs.

In the second place, it may be—while we are ignorant of it—that the present organization, either through a defect inherent in the system, or through individual failings, does not give complete satisfaction.

But that being granted, and this is our third argument, it seems clear to any one who takes time to go into the details of the scheme that this measure making for the centralization of translations would neither answer the purpose of efficiency, nor even that of economy, which it purports to procure.

It seems also—and that is a fourth point to note—its outcome might quite possibly be to result, without appreciable economy, in a lower standard of efficiency, as regards both the quality and quantity of the translation turned out, and thus would the standard and importance of French, even as matters now stand, insufficiently recognized in the dominion government service, be further reduced.

To all these points and a few others we shall recur in the near future, with facts and illustrations in support.

Improvements may be in order; but the remedy is quite of a different nature from that proposed in the bill. And we believe that it would be comparatively an easy matter to prove our contention to the satisfaction even of the Secretary of State.

I believe in the sincerity of this article, and I know the Secretary of State also believes in it. It is not my intention to deal at greater length with this matter, because I believe the house is seized of the sincerity of the objections we have made to the bill, and I know that no ulterior motives are behind this discussion. In a discussion of this nature everyone must naturally and necessarily be within the bounds of logic, and be honest in his motives. On the coat of arms of the royal family of Great Britain are the words "Honi soit qui mal y pense." All we want is perfect coordination and understanding of every branch of this great Canadian family.

I believe that to a certain measure I have proven that this so-called centralization would not give us the measure of efficiency which, at first glance, it might seem to offer. Secondly, I say that no economy would be accomplished by centralization. There are several other bureaus, several other governmental departments to which that principle could be applied. I can see where there would be objections from different ministers through the fact that they would lose some of the prerogatives they enjoy in their own departments.

I was not quite satisfied with the statements made this afternoon by the Secretary of State when he mentioned that the Speaker of the house should be satisfied by being Speaker alone. Surely we have enough faith and confidence in our Speakers, men who are honoured with that high office on account of their great training, on account of their understanding and personal knowledge, to believe that they can look after at least the administration of the House of Commons and its services.

Again may I say I know the Secretary of State will realize that hon. members on this side of the house are sincere in their appeal, and we are confident we shall receive the hearing to which we are entitled and which we expect from such a person as he is.

Mr. E. C. ST-PERE (Hochelaga): Mr. Speaker, the bill introduced by the Secretary of State (Mr. Cahan) has many features deserving of most careful attention. In fact, after the recital delivered by the hon. member in explanation of this measure the bill leaves us somewhat in confusion as to the true reason for submitting to parliament such a drastic and revolutionary piece of legislation. First of all, centralization of translation services is not a matter which is being studied for the first time. It has been discussed in the past. As far back as 1909 the Board of Internal Economy of the House of Commons of Canada sent Mr. Achille Frechette to Belgium and Switzerland to inquire into and report upon the system of translation obtaining in those countries. At that time there was more or less a system of centralization for the translation of departmental and parliamentary reports and documents.

Let us see what this investigator had to say in regard to centralization. Quoting from page 7 of the official report of Mr. Frechette, dated at Paris, September, 1910, I find the following:

But now that the publications of the public service deal with so many activities unknown to the primitive country that we were then; now that all the human interests, more and more specialized, find their expression in the

papers presented to the Canadian parliament, a centralized translation office can no longer do justice to so much work that calls for specialists.

And further:

The experience I have acquired during thirty-six years of service in the Commons have convinced me that in centralization rests the vice of our system.

And among the conclusions arrived at by Mr. Frechette we find one to the effect that translation services should be established in the departments. He does not say to do away with the existing services, as is proposed in the present bill, but to maintain them and to establish similar services in all the other departments. Let us quote again from the original report:

Therefore . . . I conclude that it is desirable to extend in Canada to all the departments, the practice already intelligently introduced in some of them, as, for instance, the Department of Agriculture, and very recently, that of Marine and Fisheries; . . . and that department officers be given the duties of translating the annual reports of their departments and, among the other papers furnished by them to parliament, those which the printing committee would recommend to be printed.

And further on he insists that as a result time would be gained and the quality of work improved.

We have thus on record a man of high standing, of long experience in the Commons, eminently qualified and competent to offer judgment and advice in the matter, who is unequivocally against centralization.

But we may add to this testimonial. Later, in 1919, the Union government brought from the United States the Griffenhagen people, and the Arthur Young Company, efficiency experts, giving them the task of classifying and reorganizing the public service of Canada. The least we can say is that these experts had a certain reputation for high-class achievement. At all events, they were chosen by the Union government supposedly on their good record in that class of work. They were consequently given a free hand. Their work was tremendous, and they made a good job of it as a whole. They did some reorganization in various departments but, although familiar with the diverse needs of government services, they ignored or were not impressed by the alleged necessity of centralizing the translation services of all the departments. About the year 1913, the Hon. Mr. Blondin organized a central bureau of translation with a staff of twenty-one translators whose work covered the annual reports and documents from almost every department, including reports from royal commissions and parliamentary committees. This staff was gradually decreased as the years went on because various departments found it more convenient to appoint their own translators: the work was done more rapidly and with more accuracy. Thus we find that after only a few years' trial, centralization was being abandoned and translators were being appointed to the Mines branch, to the departments of Public Works, Finance, Secretary of State, Post Office and Customs, and to the railway commission, the Auditor General's office, and so forth, leaving a staff of only ten or eleven translators in the bluebooks branch which is now functioning under the name of the general translation branch. Thus we have had a regular, a fair and extended trial of centralization, and it has been found wanting, unsatisfactory, cumbersome and totally inadequate to the needs of the administration.

Not so very long ago the government appointed a committee to inquire into the cost of printing and stationery, and, incidentally, into the cost of publishing, printing and distributing public documents. The question of translation naturally came under discussion as a contributing factor. This committee, known as the Sellar committee, was composed of members highly qualified to deal with such an important subject and these men had to study a great number of reports, some of which were strongly in favour of centralization of translation services. Others were equally forceful and pronounced against such a plan. No doubt the pros and cons were conscientiously considered, and I am credibly informed that the unanimous conclusion arrived at by the committee was to recommend to the government to make no change so far as a central bureau for translations was concerned, but to leave well enough alone.

So we have centralization condemned by a special investigator who made a strong report against it; it was also ignored by the Griffenhagen people and the Arthur Young Company; it was abandoned after the test of actual experience and thrown overboard by a recently appointed committee. Therefore the hon. Secretary of State had very little to fall back upon in introducing the bill now before the house. The minister says that he received a report from the Civil Service Commission. But what kind of report did he receive? Who was the author of this recommendation? From what I have heard, the report comes from a third rate man who is not competent to pass judgment on such an

important matter—a man who has no standing as a literary critic, as an organizer, or even as a translator; and further, this report was written at a time when there was no French commissioner to approve of such a report. In fact, I am sure that if the present French commissioner had been in office, that report would never have left the Civil Service Commission, at least in its original form. It was speeded up in the absence of one of the recognized representatives of the French Canadian minority in the cabinet.

Now let us see what the minister has to say in reference to this bill. I quote from Hansard, pages 7 and 8, of January 29:

> In January last it was ascertained that there were employed in the public service 91 translators. . . .
>
> The salaries of these 91 translators amount to $252,000.

And further:

> Yet some time ago, when a treaty dealing with the waterways was signed between the government of Canada and the government of the United States, there was not a single translator to whom I could apply or to whom I had the right to apply to make a translation of that document from English into French for circulation as required. In respect of private, confidential documents such as that, I had to enlist the services of a personal friend to make the translation. There were other documents such as the convention between Ontario and Quebec in regard to the same waterways, and in connection with them there was no one in the public service to whom I could apply for a translation. I had to go outside to procure the services of a friend to make such translation. And so it is that the different departments are from time to time called upon to prepare in both English and French very important state documents.

These remarks, to say the least, are confusing and may leave the house under a false impression. We would think that the minister has no translator available in his own department. The truth is that at least three translators are listed as being under the authority of the Secretary of State. One of them is even a graduate of the Sorbonne in France.

Mr. CAHAN: Who is he?

Mr. ST-PERE: He is connected with the Archives department, Mr. Marion. His services were very easily available to the minister. If we follow the same process of reasoning used by those who made up the return in answer to the question of the hon. member for Three Rivers-St. Maurice last year, we will find five of them, namely: One principal translator in the patent office, one principal translator in the Archives branch, one editor-translator for the Canada Gazette, and Mr. Van Veen, and Mr. Emond, a re-

mission officer who was also listed as a translator. Perhaps the hon. minister did not at the time realize that he had so many. At all events, why complain that he had no translator to whom he could apply for making the translation desired?

Mr. CAHAN: Because it is the truth. I have none.

Mr. ST-PERE: All right. I am sure the hon. gentleman did not want deliberately to deceive the house, but his statement would have us believe he had no one available. The minister says he must go outside or ask other departments to get his translation done. It is strange that such would be the case after what we now know about the number of translators under his own jurisdiction. At any rate, it proves that translation services are essential for the proper administration of his own department—we have his own words for it—and if they are essential in his department, they are just as essential in all other departments. The hon. minister's recital is simply an implied condemnation of the government's policy in regard to translators in general. The present government has abolished nearly a score of translators in the interior and finance departments and the civil service commission. They even dismissed a translator actually on duty and who had just been appointed to the railway board. If these services are essential, why abolish these positions? Why could not the Secretary of State appoint a few more translators for his own work? Instead of doing the practical thing, he brings down this bill to rectify a personal grievance, according to his own statement. By withdrawing the translation personnel from other departments to merge them in a central bureau, he is putting the other ministers or heads of departments in the same position as that about which he so bitterly complains. If the hon. minister finds fault in having to call upon outsiders to have his translation done, why should the House of Commons, for example, have to call upon the Secretary of State to have its parliamentary papers and official documents translated? The reason given by the hon. gentleman is not very convincing. Passing the difficulty to others is not a solution and I submit that the only and proper remedy is to add to his own staff according to his needs.

I should like to say a word as to the number of translators in the public service. The hon. gentleman says that ninety-one are employed by the government. No doubt he took this figure from the return made last

year in answer to a question asked by the hon. member for Three Rivers-St. Maurice (Mr. Bourgeois). This return shows that outside of the House of Commons and the Senate, fifty-eight translators were employed. With those employed in the House of Commons and the Senate we have, all told, ninety-one translators. But at the time of introducing this bill one more position had been abolished, that of chief translator of the Senate debates. So there are now only ninety. The return to which I have referred included many stenographers, clerks and interpreters, so in reality there are not ninety or ninety-one translators in the service. The return included even the name of a remission officer who is not actually a translator. To prove my point, I ask hon. members to refer to the estimates of last year and those of the current year. In both cases we find only seventy-three or seventy-four translators classified as such. Why should bilingual clerks or stenographers be included among the translators? Why include interpreters and other officers having a completely different classification? The reason is obvious. It is to show that these services are overmanned and although the axe of the guillotine has been operating to the extent of decapitating five thousand civil servants in the short time hon. friends opposite have been in office, it is still sharp enough to cut off a few more heads at the expense of the due and rightful representation which a minority should receive in the public service.

This bill is a direct attack against the privileges of this house. We should have independent control over all officials, officers and employees of the House of Commons. This bill provides further for the abolition of the position of chief of French journals. It does not say so in so many words, but the inference is obvious. Why this attack against the constitution which established the French and English languages as official? Proceedings in this house can be carried on either in the French or in the English language. Let us see what some of the accepted authorities have to say about the House of Commons. Giving his evidence before the select special committee on the civil service and the Civil Service Act on April 13, 1932, as reported on pages 465 and 466 of the evidence, Mr. Beauchesne quoted Mr. Bourinot, who he stated was one of the most distinguished clerks, as follows:

> The control and management of the officers of the houses are as completely within the privileges of the houses as are necessary to the conservation of dignity and the efficient conduct of public business.

Mr. Beauchesne also quoted the late Sydney Fisher, whose opinion on this matter will be found in Hansard of June 29, 1928, as follows:

> The House of Commons is not a department of government. There are no departments of the service in which the duties are similar to those in the House of Commons.

In placing certain officers and employees of this house under a responsible minister of the crown, the government is acting in direct contradiction to the opinions of the well known authorities quoted by Mr. Beauchesne.

The duty of the chief of English journals is to record the proceedings of this house. The position which this gentleman occupies is one of the utmost importance. He has charge of the drafting of the votes and proceedings and his work forms part of the regular routine of parliament. Therefore, he cannot be removed and placed under a minister of the crown. I submit that the same can be said of the chief of French journals, because the proceedings of the house can be carried on either in French or in English and the French journals hold the same important place in the regular routine of this house as do the English journals. Any attack or any measure tending to remove this official or to abolish the position of chief of French journals is a direct attack against the privileges and authority of this house as well as an attack against the principle of equality between the French and English languages as guaranteed by the constitution.

This change is said to have been inspired for reasons of economy and through a sincere desire to increase efficiency in the services concerned. In this connection I should like to refer to the Beatty report, dated February, 1930. I did not refer before to this report because I wanted to do so at this stage. This report makes no mention of centralization of the translation services as a means of improving this important branch of the public service. I do not doubt that a more competent body has never been called upon to report on matters pertaining to translation and its related subjects. After a careful and complete study of the situation in general and of every aspect of this complex problem, the Beatty commission did not recommend centralization and its report says nothing about it. I contend that had this plan appealed to these investigators as being proper, advantageous and practical, both as to efficiency and to economy, they certainly would have made a recommendation to that effect. One of the most striking recommendations contained in this report is to be found

on page 16. It is that a higher rate of salaries should be provided in order to ensure greater efficiency. Therefore, the closer you get to efficiency the further you are from her twin sister, economy. The hon. minister would have us believe that they are like the Siamese twins, but I am afraid that when the real test comes they will be due for a rude separation.

The minister speaks of economy, of efficiency, of improving the lot of these translators and so on; in fact, he says anything and everything. There is nothing but contradiction in the different assertions of the minister, both in his explanatory notes to the bill and in his statements made in and outside the house. How in the world is it possible to have greater efficiency with a reduced staff? How can we realize any economy by increasing the work? Taking the hon. gentleman at his word, how can he increase the number of translators and reduce it at the same time? How can he save by spending more? I am asking hon. members whom they will believe. Will they believe the minister when he says that a greater number of translators may be appointed later on, or believe the minister when he says that there is no need for any more translators if the work is properly divided amongst those now in the public service? Will they believe the minister when he says that translators will be placed on a higher plane, or believe the minister who says that the bill will result in a considerable saving which cannot of course be realized otherwise than by a downward revision of salaries or a drastic reduction of personnel?

Economy and efficiency are just empty words, meaning nothing. They are no indication of the real reason behind this bill. "Ce bloc enfarine ne me dit rien qui vaille." I am giving my hon. friends this timely warning lest it be too late to repent. Study this bill; compare the notes, the statements and the contradictory claims of the Secretary of State, and tell me sincerely if one can depend on such flimsy promises, vague assurances and problematical results. No, no; for my part I will not be a dupe to such a bargain.

This afternoon the Secretary of State assured this house that the translators of the various departments would be left in those departments though coming under the new centralized bureau. I will ask the hon. gentleman one question. He knows that according to the Civil Service Act the translators in all departments can be promoted to higher positions and can even be appointed deputy ministers. Will my hon. friend tell me whether the transference of translators to this new bureau will deprive them of such promotion?

Mr. CAHAN: I am not answering questions now. When the bill is in committee of the whole house I will answer questions, but I say this, that under this bill the translators will be under the Civil Service Act and there will be open to them the highest positions possible in the service.

Mr. ST-PERE: But not in the departments to which they formerly belonged. I would be the last to deprive any English speaking citizen of this country of rights he is entitled to in the civil service, but at the same time, as one representing the minority in Canada, I will be the last one to accept anything that will deprive any French Canadian of promotions and rights he is entitled to in the public service of Canada.

Mr. CAHAN: There is no position in the public service to which he will be deprived of promotion under this regime.

Mr. ST.-PERE: He will belong to a new bureau; he will be taken away from his old position.

Mr. CAHAN: The hon. gentleman is making a speech without even having instructed himself as to the contents of the bill.

Mr. ST.-PERE: The hon. member for St. Denis (Mr. Denis) inquired of the Secretary of State as to the day on which the investigation mentioned by him on January 29 had taken place, and by whom, and the hon. member received the following answer, which is not an answer at all but only an evasion of the question. The Secretary of State said:

> The said committee, in March, 1933, reported to the treasury board on the matters submitted to it, including a report upon "Translations."
>
> The Secretary of State, at the request of the Prime Minister, also interviewed Mr. Beauchesne, Clerk of the House of Commons, and Mr. C. H. Bland, of the Civil Service Commission, and certain statements were prepared by them, which they probably deemed confidential, for the information of the government.

The Secretary of State is very careful to say that these gentlemen made certain statements which they deemed confidential, and he refuses this house a positive answer with regard to those statements made to his department. Are we not entitled to receive real answers to questions we ask on different matters? Once more we realize that this government does not want the House of Commons to be clearly informed about what

took place during this inquiry. If those documents were deemed confidential, will not the Secretary of State tell me and this house where the hon. member for Labelle this afternoon got all those documents with regard to the number of pages translated in every department? I am refraining from accusing the Secretary of State of giving documents to the hon. member for Labelle—

Mr. CAHAN: I have certainly not, directly or indirectly, given documents to the hon. member for Labelle.

Mr. ST.-PERE: I cannot therefore subscribe to this bill and I will certainly vote against it, hoping that our friends on the right will realize that the principle at stake is one going far beyond political considerations. It is not a proper time, I submit, Mr. Speaker, to shake the foundations of our constitutional structure and to enact a measure such as the one sponsored by the hon. gentleman, which cannot but aggravate the general situation in this country. This is a time for constructive policies and the hour has come to put an end to this reign of terror which has a demoralizing effect on the whole civil service. There is no more permanence, no more security in office; therefore the government should withdraw this bill and work towards binding all elements in this country in a common feeling of faith and confidence in the future and towards uniting all the energies in order to overcome our present difficulties; but instead of doing this, they add to the unrest and increase the people's misery. Instead of giving work to every man willing to work, as they pledged themselves to do, they throw out of their jobs five thousand civil servants and boast of it as the Secretary of State did in his radio broadcast of last November. At the rate at which these dismissals and retirements have been progressing, the government need not go ahead with the project of building another governmental block; they will not need it. All I suggest that they do is to clean up a large square and build therein a high platform where they can put their guillotine and publicly execute a few more thousands of civil servants whenever they feel like making any retrenchment. So far the only retrenchment accomplished has been at the expense of the civil service.

In conclusion, may I appeal to all those hon. members who uphold the principle of equality as between the French and English languages as the official languages of parliament and stand by the constitution, to vote against this bill. We must have courage; we must be above all party interest. Let us stand against this bill as contrary to the general interest of the country, as impractical, and above all, as a direct violation of the rights and privileges of this house.

(Translation): Mr. Speaker, like all my colleagues of the House of Commons, it was with some apprehension that I listened to the statement made by the hon. Secretary of State, when introducing this bill in the house. As I stated in the speech I have just delivered in English, I place no reliance in the advantages expected from this bill, considered either from the efficiency or economic viewpoint. I regret that the hon. member for Labelle (Mr. Bourassa, this afternoon, by a process of reasoning peculiar to himself endeavoured to justify this bill, leaving this house under the impression that among our translators, as well as in other departments of the service, there were to be found lazy fellows and drunkards, etc, etc. I never took upon myself to champion the cause of civil servants; however, I have among the translators a large number of former colleagues in journalism and I cannot find one member of the debate staff who has not fulfilled his duty or who has not, quite the opposite to what the hon. member for Labelle endeavoured to convey, worked on an average of ten to twelve hours and even fifteen hours per day in translating from French to English or vice versa the numerous speeches delivered in this house.

No intelligent person would establish a basis of comparison between the work performed by a highly educated man and that of an ordinary worker in our mills or a city-labourer. I have for these workers all the sympathy which is due to them. On many occasions, in this house, I have requested on their behalf higher wages; however this is not a reason for me, to-day, to be unfair by endorsing the statement which the hon. member for Labelle made this afternoon, when he said that among the translators there were to be found lazy fellows and drunkards whose work was out of proportion with the salary they received from the government.

The hon. member for Labelle is always full of compassion for his colleagues in the house. This afternoon, he warned us, we the members for the city of Montreal, to be on guard because, at the next election, these workmen who, at present, are out of jobs or those artisans who are not drawing a salary equal to that of translators of the House of Commons, will be the first to make them give an account of their mandate. Personally, I have no fear to appear before my constituents to prove to them—they are intelligent persons, and

hardly need proofs—that the employees of the House of Commons, those intellectual workers who have passed part of their life in our classical colleges and another part in such an important work as the translation of our public documents, are entitled to the fair salary they receive. My constituents, may it please the hon. member for Labelle, understand what is meant by distributive justice and a man is appreciated according to his real merit.

The hon. member for Labelle gave us to understand that the translators of debates were very fortunate; once the session is over, these gentlemen could take a three or four months' holiday. But the hon. member for Labelle, who claims to be an expert in translations, a connoisseur, a purist of the French language, must not ignore all the work pertaining to translation: such as scientific researches, the exact terms to be used, etc., and that they are entitled to a rest after such strenuous work.

Would the hon. Secretary of State be kind enough to inform the house whether all documents prepared in his department—namely type-written copies of bills, etc., have been always sent early enough so as to be translated by the House of Commons staff? I am informed from a reliable source that many of these typewritten copies, these documents the translation of which is required immediately in order to issue them without delay to the public, as the hon. member for Labelle stated this afternoon, are sometimes handed in at the last minute to the translators of the house, even after they have been issued in English.

Most of the complaints which were made to-day, were not on account of the delay in the publication of official documents in French, but that too small a number of reports and department documents were not translated and printed in one of the official languages. Must we place the blame on the translators?

My hon. friend may pound his desk. I do not mind being interrupted, but I prefer to be interrupted by an intelligent man.

Mr. ALPHONSE FOURNIER (Hull): Mr. Speaker, I have listened very attentively to the speeches made pro and con this bill this afternoon and during the evening. The Secretary of State, (Mr. Cahan) and the hon. member for Labelle (Mr. Bourassa) have given all the reasons available in favour of this measure, and the senior member for Ottawa (Mr. Chevrier), the hon. member for North Timiskaming (Mr. Bradette) and the hon. member for Hochelaga (Mr. St-Pere), have given their reasons for voting against it. May I summarize the reasons given by the hon. member for Labelle and then state why I am going to oppose this motion and vote in favour of the amendment moved by the senior member for Ottawa.

The hon. member for Labelle stated that under the present system there were delays in the translation and printing of documents and on this account they became useless so far as public interest was concerned. He mentioned that forty, thirty-five, twenty-five years ago he had found under different ministries bundles of documents which had been translated and printed after a long delay and which had not been distributed to the public, but which had cost enormous sums of money and had become absolutely useless. He stated that the same thing occurred fifteen years ago, ten years ago and again last year. This was one of the main reasons for his favouring the bill presented by the Secretary of State.

A further reason given was that among the translators many did not possess the qualifications required to occupy the position; that some were lazy and that others were drunkards and did not fulfil their duties. Another reason given was the limited time during which the translators worked; that after four or five months of work they had a vacation for the remainder of the year, and were paid an annual salary of $3,000 or $4,000. From these facts he deduced that the quality of the translations suffered, and he referred to many cases in which translations were not well made. Furthermore he pretends that having all the translators united under the direction of one superintendent would be preferable to the system of having translators in different departments under the various deputy ministers. This comprised the first part of his speech, and he concluded his remarks by referring to the constitutional aspect of the question, stating that by the passing of this bill there would be a further recognition of the French language in the different departments of the government.

The reasons given by the hon. member were all mentioned in 1909 and 1910 when the committee of the House of Commons, after receiving numerous complaints, appointed a former translator of the House of Commons to investigate the situation in European countries where duality and plurality of languages existed. This former clerk made his report to the committee and to the house in 1910, and in his report he mentioned that during

the previous seventy years in this country we had a centralized bureau for translations. During the course of his report he gave the same reasons that were advanced this afternoon by the hon. member for Labelle in recommending a change in the system. This report was adopted by the House of Commons and the change went into effect in 1911. Before 1910 it was complained that delays were occasioned in the translating and printing of proceedings of the Commons and the different departments; that the French versions were prepared too late to be of much use and that large sums of money were spent because of this faulty system. At that time there were also translators who did not possess the necessary qualifications to fulfil the position. The report also mentioned that the system of having translators in each department would be far more efficient than the system of centralization.

I particularly refer to this interesting report which was made by Mr. Frechette. He visited Switzerland and Belgium, in which countries duality of languages exists as it does in our country, and after explaining that in Canada the service was centralized in an office he went on to say:

—recruited—may I be permitted to say—independently of any idea of specialization in the work. Of course, the great variety of different technical matters which find their place in the sessional papers is too well known to the members of the board for their enumeration being otherwise than superfluous here; however, it is proper for me to say that all the arts, the sciences, the industries, the interests with which the government of the country is concerned, in turn call for the earnest labour of the House of Commons translator. It is evident that so many various translations, for which the most extensive dictionaries and the usual language are altogether inadequate, must require from the translator vast erudition, constantly supplemented through long hours of research and tireless application. Would it not be too optimistic to expect great success from the anomaly of an organization where it is required of each man to be a universal specialist in order to be fit for expert work in all directions?

All the efforts that the chief translator may make towards specializing the abilities of his staff are rendered vain by the manner in which the documents come from the printing office and by the necessity of having the work done quickly.

The main argument advanced by the Secretary of State this afternoon seemed to be that large amounts of money were spent because of the delay in making the translations in the different departments. Let us ask ourselves whether, by centralizing this staff of translators, the translations will be made more quickly and whether they will be of better quality. In section 3 the bill states:

(1) There shall be a bureau under the Minister, to be called the bureau for translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by act of parliament, or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

(2) It shall be the duty of all departments of the public service and all such branches, commissions and agencies as aforesaid to collaborate with the bureau in carrying into effect the provisions of this act and the regulations made thereunder.

Actually there is a staff of translators in each department, who are under the supervision of the deputy minister. The minister and his deputy decide which documents, reports and correspondence shall be translated. In every department we have efficient deputy ministers; they are men of ability and men who know their work, and they have this work done by translators under their immediate control. If all these translators are sent to a central bureau under the superintendence of one man, every department will have to communicate with this man as to translations. Certainly time will be lost in sending work from the different departments to this head office; it will require more messengers and a greater staff of assistants, and the technical officers of the departments will not be at hand to advise the translators during the progress of the work. Under the present system the translators can communicate every day and, if necessary, every hour with the technical officers of the different departments; they can receive advice and work accordingly. At page 5 of the report of 1910 I find the following:

The present system, established some seventy years ago, may have answered the needs of the time when the public documents were very far from being as voluminous, as numerous and as specialized as they are to-day, and when the greater part of them, being already in French, had not to go through the French office. But now that the publications of the public service deal with so many activities unknown to the primitive country that we were then; now that all the human interests, more and more specialized, find their expression in the papers presented to the Canadian parliament, a centralized translation office can no longer do justice to so much work that calls for specialists. The experience I have acquired during thirty-six years of service in the Commons has convinced me that in centralization rests the vice of our system

I understand that this gentleman had occupied the position of chief translator of the commons for quite a number of years, and he was supposed to be an expert in matters pertaining to translation. At all events he had the confidence of the committee of the house which sent him to Belgium and Switzerland. What did he find in those two countries? Mind you, I do not believe we should copy everything that is done in other countries, but we should take from those other countries the best that is in their policies and their methods of administration. This gentleman found that each department in Belgium had its own translation staff.

Thus it is seen that nowhere in those two countries—

Speaking of Belgium and Switzerland.

—is translation centralized. And in both countries satisfaction is expressed with the system in use.

For these reasons he concluded his report to the committee of the House of Commons in this way:

I conclude that it is desirable to extend in Canada to all the departments the practice already intelligently introduced in some of them, as, for instance, the Department of Agriculture, and very recently, if I am not mistaken, that of marine and fisheries;

I believe that at the time Hon. Sydney Fisher was Minister of Agriculture. This afternoon the hon. member for Labelle spoke at length about Hon. Sydney Fisher and related certain conversations he had with the hon. member in connection with his wish to do the best he could for the French element of this country. It was under his administration that the Department of Agriculture appointed translators for that department, and this gentleman stated that the work done by this staff was far better than the work done by the translators under the control of the centralized bureau. From 1911 up to date we have had the system of having these translators in each department. We do not pretend that their work has been perfect, but we say that if under the centralized system there were delays in the translating and printing of documents there were also delays under the system which succeeded it, and we have no assurance that these defects will disappear under the system introduced by the present bill. We have no guarantee that under any system unqualified persons will not occupy positions to which they are not entitled. There will always be some lazy members of any department; human nature is not perfect and mistakes will be made under whatever system you may introduce.

[Mr. Fournier.]

May I say, Mr. Speaker, that in my opinion it was not necessary to introduce this bill simply because translators of the House of Commons and of the Senate have long vacations. Surely some means could have been easily devised, without changing the whole system, to give further work to those people. Will this superintendence give more efficient service than is given at the present time under the deputy ministers of the various departments? I am sure whoever may be put in charge will not be acquainted with all the documents, reports, correspondence and other papers which will have to be translated. He will have to rely on what the deputy minister sends him for translation. The work will only pass under another hand, and that will not increase efficiency. So the reasons given by the hon. member for Labelle are contradicted by the report made in 1910, and the actual facts do not bear out his contentions.

In the last part of his speech the hon. member dealt with the constitutional aspect of the question; he stated that a further recognition of the French language was made by this bill. The hon. member for Ottawa (Mr. Chevrier), however, told us that the rights of the French language in Canada were to be found in section 133 of the British North America Act, wherein they are clearly defined and restricted. Section 133 of the British North America Act reads as follows:

Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; . . . The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

This is the only section which gives any legal right. I am not speaking of moral rights, or of privileges granted or given, or concessions made. I am saying that the only legal right for the use of the French language seems to be in this section of the British North America Act.

What does the bill state further, or add to this section? Part of section 3 of the bill contains the words:

In making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

This bill does not add to any rights in regard to the French language, and I believe it comes down to a matter of administration.

The reasons for opposing the bill may be summarized as follows: that there will be loss of time in the translation in going from every department to the central bureau; that the translation will take more time, and that there will be no economy, owing to the slowness with which the work will be done.

At the end of the bill there is a provision stating that every translator must take an oath of secrecy. This means that the work they are doing is of a confidential nature, and should not be reported to the public. How can there be secrecy in confidential matters if the documents and papers are to be transported from the several departments to the central bureau, passing into the hands of messengers and into those of other people before they reach the translators?

Then, speaking as to specialization may I say that we do not expect any translator to be efficient in every branch of knowledge. Actually, they do specialize, and become specialists. Although they may make mistakes and have difficulties, and although they may not always do their work properly, they have more chance of doing it properly under the present system than they would under the new one. The fact that they will not be in a position to see the technical officers of the departments for which the translations are made will not help in the work of translation; perhaps it will hamper, and the work may lack in quality.

I shall not discuss at length the fact that there are from 91 to 115 translators operating. They work under the Civil Service Commission and, if I am well informed, have been doing so since 1919. Their appointment is made by the Civil Service Commission. If they have not the proper qualifications, who is to blame? Most certainly it would be the Civil Service Commission. If they are appointed by the minister, the man to blame is the deputy or the minister who would make the appointment. Under the new system they would still be appointed by the Civil Service Commission. The hon. member for Labelle has suggested that the minister should make the nominations. Certainly in the appointment of translators mistakes will be made. It is human to err and there will always be some of these people who will not be up to standard and will not possess the qualifications necessary for the position. Such would be the case even if this bill passed the house. If they remain under the supervision of the Civil Service Commission I understand that they will not lose their chance for promotion. If they are to be placed in a single bureau, having a superintendent as their chief, it seems to bar them from opportunities of getting promotions to other departments of government. In that way they are deprived of a right which they now enjoy.

I have summarized my remarks, and wish to take no further time of the house in explaining my reasons for opposing the motion and supporting the amendment of the hon. member for Ottawa.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I could not see this bill receive second reading without taking this opportunity of making a few remarks. What I have to say may be of a somewhat rambling nature and will be based on arguments which have been adduced this afternoon and this evening.

One of the grounds urged by the Secretary of State (Mr. Cahan) was that of economy, and in that connection he spoke of the tremendous cost occasioned by corrections having to be made to galley and page proofs of translations. Is the Secretary of State reasonable when he places this extra cost upon the shoulders of the translators? I would also ask him who wrote the proofs. Were those proofs read and the corrections made by the authors of the articles translated, or the authors of the speeches made, or the persons responsible for the reports in English? This afternoon the Secretary of State did show us a sample of a speech made in another chamber. After being translated and the galley proofs made it was subjected to considerable changes. Who made those changes? Were they made by a specialized translator, a superintendent of translators, or—

Mr. CAHAN: May I say to the hon. gentleman that I would refrain from mentioning names; I do not think it is proper to do so.

Mr. VENIOT: I am not asking for names.

Mr. CAHAN: The hon. member is asking who made the changes. I will show him the document, with the name of the man who made it.

Mr. VENIOT: I am asking whether the corrections were made by the person who made the speech in the Senate. I am not asking for the name of the person.

Mr. CAHAN: It was made in English by a gentleman who I do not think knows the French language.

Mr. VENIOT: But who corrected the translation?

Mr. CAHAN: An officer of the Senate.

Mr. VENIOT: Who?

Mr. CAHAN: A translator of the Senate who ostensibly prepared the report.

Mr. VENIOT: Why did not the translator of the Senate translate the speech in the first instance?

Mr. CAHAN: That is what he did, possibly.

Mr. VENIOT: Why did he correct his own translation afterwards?

Mr. CAHAN: Because he found it so imperfect, probably.

Mr. VENIOT: Which goes to show that it is not centralization which is needed, but specialization in a particular work, to bring about the economy to which the Secretary of State has referred.

Mr. CAHAN: I would suggest that proper supervision is needed.

Mr. VENIOT: I did not interrupt the Secretary of State when he was speaking, and I hope he will not do so with me.

Mr. CAHAN: The hon. member asked a question.

Mr. VENIOT: The minister is not answering any questions just now, when he is interrupting. He has no right to do that. In these few rambling remarks I will not be interrupted by the Secretary of State except when I ask him a question which, if he wishes, he may answer. He may do that.

As I have said, if anything was needed to prove that specialization is required, most certainly the Secretary of State furnished an example to the house this afternoon when he said he had to go outside the departmental translators to get someone to translate a paper in connection with the St. Lawrence waterways treaty between Canada and the United States. If we had the system of specialization carried to a greater degree than it is to-day, there would have been no need for the Secretary of State to go outside for special men to do that translation. Let me point out to the Secretary of State, and I know whereof I speak because in my public career I have had considerable to do with translators, interpreters, and so forth, that it is one thing to be able to get a man to translate a speech, and it is an entirely different thing to get a man to translate technical subjects. A speech can only be well translated from English into French or from French into English by one individual. You cannot distribute the speech over a period of hours and to a number of different translators, giving one man fifteen pages of the speech to translate and another the following fifteen; the chances are that if you do it in that way the translation made by the second translator is not going to fit in with the idiom of the language used by the first. There you have the reason for specialization for efficient translation.

Take another case. Take a translator in the Department of National Health and place him in the centralized bureau which the Secretary of State wishes to establish. The Department of National Health has some medical subject to be translated and passes it over to the bureau. It is likely to be handed to the first translator who is idle, and that translator, not having any technical knowledge of medicine, cannot possibly do justice to his subject. Let me further point out, and I am sure that hon. gentlemen of the medical profession will agree with me, especially the French medical gentlemen in this house, that when you undertake to translate English medical subjects into French you very soon find that the technical expressions used in the one language do not correspond with the technical expressions used in the other. There is an entire difference between the technical expressions used in the English study of medicine and the technical expressions used in the French study of medicine. That again shows the necessity for specialization.

Or take the engineering branch of the Department of Public Works or of the Department of Railways. Take your translators out of those departments and place them in this centralized bureau, and what will you find? You will not have a man to do your technical translation of engineering subjects correctly unless you get hold of the very man who has been almost brought up in that particular department and has been accustomed to handling the translation of that technical work. There is another reason why specialization should be encouraged rather than centralization.

I also wish to refer to some of the remarks which the hon. Secretary of State made. He said that if one would read the bill, and he rather threw a slur at the hon. member for Hochelaga (Mr. St-Pere) because he had not studied the bill, he would find that the translators coming into the central bureau would be protected in the matter of promotion. I would point out to the Secretary of State that the only clause of this bill which touches on the question of these translators coming under the Civil Service Act is clause 4, at the end of which I read that these men "may be transferred to the bureau as herein provided, and such officers and employees shall thereafter be subject to the provisions of the Civil Service Act." There is not a line

in the whole bill which protects the principle of promotion as it applies to these men who are to-day translators in various departments of the government. When they are taken out of the respective departments in which they are at present employed and are placed in the central bureau, they become subject to the jurisdiction of the minister who will be in charge of the bureau, probably the Secretary of State, and when they come into the bureau they come under the Civil Service Act. They are eligible for promotion under the Civil Service Act but only in so far as that promotion pertains to the central bureau for translation, and not otherwise. On the other hand, if these translators are left in their respective departments, the French translator, for instance, in the Post Office Department is eligible for promotion to any branch within that department; but once he is placed in the central bureau he is eligible for promotion only to such positions as fall within the jurisdiction of the bureau, and they are mighty few. So far then as promotion is concerned there is absolutely nothing in this bill that gives to the translators placed in the central bureau any chance—in fact, it takes away the great opportunity which they have to-day—for promotion in the department from which they are being transferred.

There are two other points, Mr. Speaker, which I should like to make. I am convinced from the experience I have had in the past twenty-five or thirty years with the system of translation we have in this country that the Secretary of State, no matter how sincere he may be in his advocacy of this bill, and I give him credit for being sincere, has been ill advised in placing this measure before the house in the form in which we now have it. If he would bring in a bill looking towards specialization to a greater degree than it exists to-day in the translation services I would be wholeheartedly in favour of it, but I cannot see from the experience that I myself have had that efficiency will be attained in translation by adopting the principle laid down in this bill. For that reason, Mr. Speaker, I feel that I should not only oppose the bill in committee on particular sections of which I have made a study, but oppose the principle of the bill as it is now before the house.

The Secretary of State has also told us that one of the main reasons why French publications have not been issued as rapidly as they should have been was the fact that French translations could not be made in time to allow the publications to come out any earlier. In making that statement he left the inference that the fault lay entirely with the translator. But let me point out, and this is a fact which I think cannot be gainsaid, that the delay in translation is not caused by the fact that the French translators do not do the work early enough, but in the majority of cases it is caused by the fact that the English matter is not handed over to the French translators in time. You will find, for instance, a report of perhaps four or five hundred pages being prepared as English matter, and the whole preparation of that report must be completed in English before a French translator can lay his finger upon a single page of it. As progress is made in the preparation of an English report; as a chapter or so or a certain portion of it is completed, say fifteen, twenty or thirty pages, why should not that portion be handed over immediately to the French translator? He would be able to keep up with the English preparation and when that preparation is ready for the press, the French translation would be completed within a very few days. The Secretary of State should direct his attention to this phase of the matter in order to bring about a more speedy issuing of these different reports and parliamentary papers.

As I said at the opening of my remarks, I could not allow this bill to go through without expressing my opinion. I appeal to the Secretary of State to consider carefully, before this bill gets too far, whether some amendment cannot be made along the lines of specialization instead of centralization, as is the present intention of the bill. I desire to say that I have the warmest feeling for the Secretary of State; I am not attempting to criticize him personally, but I think I have the right to criticize the method adopted to reach the object he has in view. I believe he is sincere in trying to effect an amelioration of existing conditions in his department in the system of translation as carried on to-day. So far as I am concerned, I do not think any question of race or nationality should be raised in this matter. I need no guarantee that this thought is not entertained in the mind of the hon. gentleman who introduced this bill, as I know what stand the Secretary of State has taken in the past in matters religious and national. I have every confidence in his feeling of fair play along these lines, but I do criticize the method he has adopted to bring about the changes which he thinks are necessary in the operation of his department.

Mr. CHARLES B. HOWARD (Sherbrooke): Mr. Speaker, I think it is only right that I should express my opinion on this bill and tell the house why I oppose it and intend to vote for the amendment moved this afternoon by the hon. member for Ottawa (Mr. Chevrier). In the first place I consider the translators as being a highly specialized department of government, and there should be no centralization. I think the Secretary of State (Mr. Cahan) will agree with me when I say that centralization is against the trend of the times.

For instance, take our banking situation. One of the greatest troubles the banks have is caused by complaints they receive from certain sections of Canada that the people of those districts cannot obtain satisfaction from the head offices. These head offices are not closely in touch with local conditions in the outlying districts. Take our railway situation. One of the main reasons advanced by many for the non-success of our railways is centralization; they are not receiving the support they should from people in the outlying districts. The centralized management is not alive to the situation which exists in the different parts of the country. Take the Gibb report, for instance: The government brought a gentleman from another country to investigate our harbours. A committee was formed which visited the harbours of this country. Its report has been brought in, but so far no legislation has been submitted to this house to bring about the centralization of control mentioned in that report. Why? It is because public opinion in Canada is against centralization. I state publicly that no control from Ottawa could know the wants of Vancouver, Montreal, Quebec, Chicoutimi, St. John and Halifax.

If this department were an ordinary department of government, the same argument would hold, but it is something different. It is a specialized department and those in it require training of an entirely different kind. Canada is not the only country having translators; they are found to be necessary by all the bilingual countries of the world and even by the unilingual countries. Translators are found to be necessary in unilingual countries not only to translate from other languages into their own, but because they are depended upon to know the mentality of the country from which a document is received. They are able to translate not only the words of a document but the attitude, the feelings and the sentiments of the nation from which the document comes. These translators keep in touch with the translations made of the literature of the different countries in order that they may know the sentiments of those countries. The translators in our service translate foreign languages into English and French but their most important work is the translating of French into English or English into French. In order to translate from English into French or from French into English the translator must know the mentality of the two peoples. He must have studied the histories of the different nationalities and must be able not only to translate a document word for word but to translate the sentiment behind those words. Hon. members should realize how difficult it is to translate from English, a severe, concise and business-like language, into French, a beautiful, sentimental, poetical and flowery language; and vice versa. As I have said, it is not only a matter of translating words into words; it is a matter of translating the sentiment behind those words.

Something has been said as to the correctness of the translations, and in this connection I should like to quote from an authority on the subject and then refer to two other items of translation. Pierre Daviault says:

(Translation)

> To translate is not to substitute words for other words. To the translator the text is merely the author's thought in its raw state, that he must fashion into words. It in incumbent upon him to shape it into a form which will make it convey its full meaning. The translator's task is nothing short of a literary essay, and to translate, presents all the difficulties inherent to the essay, but is even more difficult. Translation is not the expression of one's thought, which is familiar and always present to one's mind. The translator must assimilate a thought that is not his own, a frame of mind and the shades of thought of another. Besides, he has to be imbued with the author's style, because the translation must preserve the original tone.

That is written by an authority on the subject. Now let me show how easy it is to transform certain expressions. By way of illustration I will give three quotations, indicating that an entirely wrong sense may be conveyed by the translation. For example, this phrase was given in English—and it is a common one: "The general realized the enemy's intentions." This was translated into French: "Le général a réalisé les intentions de l'ennemi." I know that those who are acquainted with both languages will realize how wrong that translation is; yet in many ways it is a fair rendering. Let me cite another one that nearly got certain people into trouble at one time: "Le gouvernement français demande." This was translated:

"The French government demands", which entirely changes the sense of the expression.

In several remarks this afternoon I think the Secretary of State and the hon. member for Labelle intimated that it was difficult to get certain translations made which they wanted to have. That seems to me most extraordinary. I hold in my hand a book written by J. Lucien Hudon, of the Département des brevets, entitled L'Automobilisme et Radio. He is evidently an authority on the subject. I want also to quote another authority in the employ of the department. I have, too, a book by M. Daviault, from whom I have already quoted, and at page 21 of this work, entitled Questions de Langage, I find the following:

(Translation)

No one can appreciate Francis I, unless he transports himself in thought to his period.

This shows how specialized these translators must be in the particular work they perform. I have also a book by S. Marion, who as everyone knows has written several works on this subject and who is also a docteur de la Sorbonne. He is, I think, a fair authority on this subject and is also employed by the department. Now, there is no dictionary intended especially for translations; for as I have already said the translator must know the mentality of the peoples from whom he is translating. Let me give another example that possibly will come even closer home to us. Many hon. members have no doubt read a book written by the hon. member for Kamouraska (Mr. Bouchard), Vieilles Choses et Vieilles Gens. The title of that book, in English, is Other Days, Other Ways. I give these two to show how very different they are, and yet the mental idiom expresses the same pensée. I have read this book both in English and in French, and I can tell you that if you want to appreciate its sentiments you must read it in French, the language in which it was written.

Nobody wants a mechanical translation. Moreover, there is this fact that impresses me very much: I cannot see how any member of the government could support this bill. The ministers are responsible not only to their constituencies but to Canada for the translations that come from their departments. Every cabinet minister has his own personal peculiarities, and if he wants a translation made properly in his department he must call upon a man who knows the minister, who knows the department, and who is familiar with the subjects he has to deal with. Suppose this department is organized and a head is appointed to supervise all translations coming therefrom. The Secretary of State has a document to be translated and he calls up the Bureau for Translations and asks for a man. Possibly the subject relates to agriculture, and of course the bureau, following railroad rules, first in first out, in order to divide up the work, so that no one will be overloaded and everyone will have the same proportion, sends out a man who probably has taken two years at university in the study of medicine. This man knows all the medical terms, and he is called upon to translate something relating entirely to agriculture. There will certainly be a good many technical terms quite unknown to him, and he accordingly produces an erroneous translation. What will be the state of affairs if the minister happens to be a gentleman who is acquainted with one language only? Vice versa, suppose the Minister of Health calls for a translator to give him a translation of something dealing with medical questions. He calls up the bureau and as translators 5, 6 and 7 are out, No. 8 is assigned to this work. He is quite familiar with agricultural terms but he knows nothing whatever about the terms used in medicine. Could anything be more ridiculous?

I will go a step further. Let us take mining, for instance. We are talking a good deal about mining development in this country, and if there is one subject more than another in which a thorough knowledge of technical terms is called for on the part of the translator, if an accurate translation is to be produced, that subject is mining. But if you happen to get a translator who is expert in rendering medical terms and put him to work on the translation of a document in which there are all sorts of mining technicalities, I do not know what sort of translation you can expect. Or take the House of Commons. Just imagine the difference between the work of a man translating a speech made by the Prime Minister of Canada and the work of a translator giving us in French a quiet speech made by the Minister of Pensions and National Health. I submit, Mr. Speaker, that in order to produce an accurate translation a man must know the speaker whom he is translating; he must know the type of speech that man is going to deliver. Then he can give a fairly accurate translation and one which will, while not changing the sense, convey to our French Canadian citizens an exact replica of the speech made in English, or, on the other hand, an exact reproduction of a speech delivered in French.

I submit therefore that this subject is most serious—I think—more serious than was contemplated when the bill was drafted. In reply to the hon. member for Hochelaga a few minutes ago, I believe the Secretary of State said that

the hon. gentleman had not read the bill. Well, I have read it several times. I have a marked copy of it with certain words underlined, and there are in the bill many points which I am sure have not had due consideration by the cabinet. I will not take them up in detail, because the subject will be studied in committee unless, as I hope, the amendment proposed by the hon. member for Ottawa carries. For instance, in section 3 there appears these words: "for all departments of the public service." This means, just as I have said, that a minister of the crown, in his own specialized department, with his own particular method of doing things and in regard to a subject of which he has most intimate knowledge, will have to call in a man by number—7, 8 or 9—who knows nothing about the minister's idiosyncrasies or the subject concerning which he must do translation.

May I direct the attention of the house to a few more words in this bill. In clause 4 it does not say that all these men "shall" be transferred to this bureau; it says that they "may" be transferred. In this I think the bill is wrong. If the house passes this legislation, what right have we to say that employees may be appointed or may be left out according to who they are?

Clause 5 says nothing about "may," but it states:

> An officer to be called the Superintendent of the Bureau for Translations shall be appointed.

It does not say that he may be appointed; it says that he shall be appointed. In this way in certain parts of the bill it says "may" and in other parts "shall." If we are going to have a bill to centralize, to which principle I am entirely opposed, we should have uniformity.

I am one of those who believe in two official languages, English and French, and I am pleased that most of the French Canadians in Quebec can speak the English language. I should like to suggest that every hon. member take the trouble to do what was done by the hon. member for Quebec East (Mr. Lapointe) and the hon. member for Richelieu (Mr. Cardin) who, when they first came into the house, could not speak a single word of English, and who to-day can make speeches in English to which not only this house but the people generally throughout the country are pleased to listen. Not from a political standpoint or from any other consideration in connection with this bill, but from an educational point of view, I hope every person in Canada will try to learn as much as he can of the two official languages. I am also one of those who believe in treating in exactly the same way the people who use these two languages. This bill cuts off from ultimate promotion, or, to put it more mildly, restricts the promotion of, our French Canadian fellow citizens. I am entirely opposed to that, just as I would be against restriction in regard to any promotion our English speaking fellow citizens might merit.

Having regard to the present situation in the country, to the demands that the Canadian people make of this parliament to-day, and to the expectancy with which our distressed citizens are looking for legislation, after going over the bills that have so far been introduced I feel there are other types of legislation much more important than a bill to put expert translators into a specialized, centralized bureau.

To go a step further, I would say that if this bill is to be put through I should like to have this added to it: When I was sitting on the other side of the house behind a government, I suggested that if any change were to be made I would favour giving a preference to French or English speaking citizens who had a knowledge of both languages. The Civil Service Act should be amended so as to carry at least a five per cent preference for bilingualism.

I hope the Secretary of State will either give some genuine reasons for introducing this bill or withdraw it. Before the bill passes, he should at least consult with the three authorities whom I have already quoted, who have written books and who are men of standing in literary matters, and get their candid opinion as to the translators.

If I may be pardoned a personal reference, I put in twenty-two years of my life among French Canadians in order to learn their language and their mentality, and I would not attempt to translate any document from English into French. While the Secretary of State is a citizen of the largest French Canadian city, with all his sympathies, which I admit, towards the French people, he cannot speak their language. I do not consider he is sufficient authority on the floor of the house to introduce such a bill as this, which is calculated to deprive our French Canadian fellow citizens of a right which belongs to them. This right to promotion is not a favour; it is their right. Therefore I trust the Secretary of State will reconsider his decision and withdraw the bill.

Mr. GEORGES BOUCHARD (Kamouraska): Mr. Speaker, the bill before the house invites the earnest cooperation and consider-

ation of every member having at heart the maintenance of a high standard of perfection for both the official languages of this country. If we were to vote on pious wishes and good intentions, and if the bill could incorporate them and all the kindly sentiments so beautifully expressed by the Secretary of State (Mr. Cahan) and particularly by the hon. member for Labelle (Mr. Bourassa), I would not hesitate for a moment to support it. But we have to deal with the cold letter of the bill itself, and the fact that no one on the other side rises to support it makes me think there is something suspicious. I might quote a French proverb: "Ce bloc enfariné ne me dit rien qui vaille."

This afternoon the Secretary of State took pains to explain in full detail the functioning of the printing bureau. His observations were very interesting, but in listening to him I rather gathered the impression that the printing bureau was the main thing and that the translation work must accommodate itself to that. While fully conscious of the necessity of still further improving our translation system, I fail to see how this measure can accomplish that end. I must admit at the outset that the measure is likely to lead the unwary observer to the belief that it is a decided step towards the improvement of official translations. In a century like ours, characterized by a rushing tide of activity towards centralization and rationalization even beyond the bounds of reason, any industrially minded man is apt to welcome this measure for the sake of economy and efficiency. The promoter of this bill does not seem to be immune to the tendency of our age when he takes comfort in the fact that the accounting system has been centralized. Let us read what he said at page 8 of Hansard for Monday, January 29, 1934:

On review of the matter it was recommended, first by the Civil Service Commission, that to avoid the appointment of a number of translators in addition to the number I have mentioned, and in view of the fact that a consolidation had been made under the Minister of Finance of the accounting systems of the different departments, a bureau might be created to which the existing translators would be attached, subject to the Civil Service Commission in every respect—

This comparison, I am sorry to say, has shaken my faith in the competence of the minister to deal with such a delicate matter. While I fully appreciate the high functions of an accountant I fail to see any similarity between the functions of an accountant and those of a translator. Accountants have to deal with figures, which are not to be influenced by circumstances of place, time or persons. Unlike the accountant the translator has to adapt his subtle art to environment and to the various conditions so ably expressed by my hon. friend who just resumed his seat. The temperament not only of the author but of the reader cannot be neglected in a good translation. As an instance of that, if I were using in English the expression "my constituents" the proper French word perhaps would be "mes commettants," while our French Canadians are accustomed to "mes electeurs," or perhaps more particularly to "chers electeurs." So a translator must keep in mind the character of those who will read his translation, while accounting is not so temperamental.

I will endeavour to show a little later, Mr. Speaker, that a translator is a writer, and even something more than a writer. Looking over the country I may say that I could more easily point to a score of good authors than to a good translator. One readily admits that accountants can be transferred with efficiency from one department to another, but such is not the case with translators. There is no such marvel as a general translator. I would quote from an article which appeared in L'Action Catholique of February 5, 1934, under the signature of Thomas Poulin:

(Translation)

To unify, things of like nature must be put together so that they may blend. The translation work of the various departments cannot be thrown in the same bag. A translator who excels in his own specialty would fail in the work of another department. No doubt with perseverance and time he might become quite efficient; but we believe that the day he becomes an expert in the work covering all departments, it will be his last day.

A man cannot be an encyclopedia. That is the conclusion arrived at when it was decided, after close study, to specialize translation. Such a translator will be designated to such a department and will thus be able to master the terminology of the technical subjects to be translated in that department. This applies to all departments.

Because this was done, to-day, we have French blue books which are quite presentable; well translated, even very well so.

I would suggest, for instance, that the translator in agricultural matters should not be entrusted with legal work, and vice versa. In order to do justice to his subject and to himself the minister should have the services of competent translators for professional work such as chemistry, engineering and legal work. Has anyone ever thought of pooling those professional activities? The world cannot move in the right direction unless people cease basing their actions on dreams and theories of that nature.

Let us proceed a step farther and ask ourselves the purpose for which this measure was introduced. Who asked for the change? What body of public opinion is behind this proposal? The minister would have been very kind had he told us. Has the sponsor of the bill taken only the gratuitous advice of his personal friends who caused to be translated the two documents which were found to be full of mistakes and which do not honour the French language? I refer to the last speech from the throne and to the St. Lawrence deep waterways treaty. Those are two good models of very poor translation.

Before dealing with the reasons put forward by the minister let me for a moment consider the views of a few authorities in the matter. I am told that in 1909 the translation service was more or less centralized, but in view of the inconvenience of the system a very learned and experienced translator, Mr. Frechette, was asked to visit a few European countries, among others Belgium, where there are two official languages, and Switzerland, where there are three. In his report Mr. Frechette said:

To the Honourable the Speaker and Members of the Board of Internal Economy, House of Commons, Ottawa, Gentlemen: In compliance with the minute of your board of December 17, 1909, I proceeded in May last to Brussels and Berne, to inquire into the organization and working of the systems of translation obtaining in those capitals in consequence of the duality of official languages in Belgium and of their plurality in Switzerland.

On page 5 of the same report we read:

It is evident that so many various translations, for which the most extensive dictionaries and the usual language are altogether inadequate, must require from the translator vast erudition, constantly supplemented through long hours of research and tireless application. Would it not be too optimistic to expect great success from the anomaly of an organization where it is required of each man to be a universal specialist in order to be fit for expert work in all directions.

I quote again:

The present system established some seventy years ago may have answered the needs of the time, when the public documents were very far from being as voluminous, as numerous and as specialized as they are to-day, and when the greater part of them, being already in French, had not to go through the French office. But now that the publications of the public service deal with so many activities unknown to the primitive country that we were then; now that all the human interest, more and more specialized, find their expression in the papers presented to the Canadian parliament, a centralized translation office can no longer do justice to so much work that calls for specialists. The experience I have acquired during thirty-six years of service in the commons has convinced me that in centralization rests the vice of our system.

And so on. Then, quoting again:

The departmental translator having a narrower field of work could comparatively soon master the two languages in the specialties dealt with every year in the documents issued by his department. He could do his work much quicker and much better, all other things being equal. His direct responsibility for the French version of the departmental publications would also naturally have a tendency to secure his best efforts.

The first intimation that we have concerning an amalgamation is contained in a memorandum from the Civil Service Commission dated April 15, 1924. It purports to be an extract from the report of the special committee of the Senate on the civil service. Then, from sessional paper No. 15, 29A, page 10, I quote the following:

The commissioners considered that it would probably be beyond their powers to ask that members of the staffs of the Senate and House of Commons and of the Supreme and Exchequer courts should come before them, seeing that in 1892 the Civil Service Commissioners were authorized to extend their inquiries to the staffs of the Senate and the House of Commons, but on constitutional grounds the clerks of the two houses objected thereto.

The memorandum in its provision for a central translating service excluded the Senate and House of Commons staffs. While the special committee made several suggestions regarding various services of the government, they apparently did not see fit to mention the translation services.

A more recent step was the appointment of a committee headed by Mr. Watson Sellar, as I read in a return brought down by the Secretary of State, sessional paper 27, on February 6, 1934. This committee was composed of Watson Sellar, B. J. Roberts, Fred Cook, P. T. Coolican, E. Chamberlain, F. C. C. Lynch, L. L. Bolton, L. Beaudry, Dr. A. T. Charron, C. H. Bland and the secretary, Mr. James. What was the conclusion of that committee? The report, a copy of which I hold in my hand, says:

No complaints as to the quality of the translated texts were made to the committee.

Mr. CAHAN: From what is the hon. gentleman reading?

Mr. BOUCHARD: I am reading from a copy of the Sellar report; if it does not suit the minister perhaps he will tell me. The committee reported as follows:

No complaints as to the quality of the translated texts were made to the committee. It was found that throughout the departments a general policy of decentralization is in effect. The adoption of such policy was the result of the question being explored in 1910 after a report was made by Mr. Achille Frechette, who, under instructions of the Board of Internal

Economy of the House of Commons, visited Belgium and Switzerland to observe the practice in effect in those countries. From the information before the committee the general consensus of opinion in the departments is in favour of the status quo.

I ask the minister, is that a reliable report? Anyhow the committee did not approve of centralization. I fail to see much in favour of amalgamation in any of these reports. I fail to see on what ground the minister bases his policy. Is it the result of deep thinking or of intense dreaming? Perhaps some have been moved by the complaints made by the minister in his own case. Let us read what he said in introducing his bill into this house on January 29 last at page 8 of Hansard:

The situation is such that the department of the Secretary of State either must have a number of translators attached to it or must be able to avail itself of the services of some one or more of these ninety-one translators. For instance, the Department of the Secretary of State has to procure a translation of the address of His Excellency the Governor General at the opening of parliament, but there is no translator to whom I can apply to have that work done, so I have been dependent upon the gratuitous service of personal friends, or to pay others to make that translation from time to time. In addition we have a very considerable number of important state documents of which the Secretary of State, as Registrar General, is the conservator or keeper or guardian. Yet some time ago, when a treaty dealing with the waterways was signed between the government of Canada and the government of the United States, there was not a single translator to whom I could apply or to whom I had the right to apply to make a translation of that document from English into French for circulation as required.

I take strong exception to that statement, Mr. Speaker. If as a result of the dismissal by the government of over a dozen translators the minister is unable to get proper service, then, if it is not his own fault, it is the fault of the government. Secondly, I have only to submit that had the minister entrusted the work to a translator in the Archives branch, such as the hon. member for Sherbrooke (Mr. Howard) mentioned, for instance, to Dr. Marion, a distinguished author, we would not have witnessed the spectacle of His Excellency being obliged to read a document with threescore or more inaccuracies, false sense, grammatical errors, and so on.

Mr. CAHAN: Would the hon. gentleman suggest to me what right I have as Secretary of State to take a gentleman in the Archives and appropriate his services for general business? He is appointed to the Archives for certain special work which requires his attention from time to time. Why should I transfer him to another department? What authority have I to do so?

Mr. BOUCHARD: Unless I am mistaken the Archives comes under the jurisdiction of the minister.

Mr. CAHAN: No, it is not a part of the department of the Secretary of State. It is a separate and distinct department created for a special service of its own.

Mr. CASGRAIN: Then would the minister state what department the Archives does belong to?

Mr. CAHAN: It is the Department of Public Archives, with its own deputy minister.

Mr. CASGRAIN: Who is the Deputy Minister of Public Archives, may I ask?

Mr. CAHAN: My hon. friend can look into the record for himself.

Mr. SPEAKER: I would call the attention of hon. members to the fact that the house is not in committee.

Mr. BOUCHARD: Anyhow, there are too many good translators around the house here and elsewhere in this city of Ottawa for it to have been at all difficult for the minister to have secured one.

Mr. CAHAN: But there is not a translator around this building or in Ottawa whose services I have the right to demand as a translator in the public service.

Mr. CARDIN: You could have appointed one, just as there are translators in other departments.

Mr. CAHAN: Why appoint them when a score who have been appointed are away on five or six months' holidays during the summer and the public service is suffering?

Mr. CARDIN: Force them to work.

Mr. CAHAN: I have no authority to force them to work.

Mr. CARDIN: The government has the power.

An hon. MEMBER: That is the reason for the bill.

Mr. CARDIN: Not at all. It is for a different purpose.

Mr. BOUCHARD: If what the minister understands by economy is this petty little saving, and if what he understands by efficiency is the translation of the speech from the throne and of the St. Lawrence deep waterway treaty, which I hold in my hand,

I must entirely disagree with him. The government should have seen to it at any cost that these two documents which I hold in my hand were properly translated.

Let me say further that I cannot subscribe to the idea that confidential documents should be entrusted to personal friends rather than to translators who have taken the oath of office.

Mr. CAHAN: There were no translators available.

Mr. BOUCHARD: Before undertaking such a responsibility the minister should have demonstrated at least that he was very anxious to have the translation done in his own department. And now he comes down with a bill to take care of the translation services for the whole of this dominion. So far, Mr. Speaker, I am sorry to say that we have seen no great indication of the minister's ability to grasp the significance of so huge a problem. I do not question his motive, but I am entitled to question his competence in the matter. It would have been so easy in a matter of the kind to confer with people or bodies or associations more likely to give him sound advice so that he could come before this house with a bill which was clear and self-explanatory.

The question now before the house, I submit, Mr. Speaker, is one that transcends in importance the expenditures that are involved in the proposal. Let us come to the crux of the whole matter and ask this question: What is translation? I am sorry the minister did not refer to this phase of the matter to any great extent; he referred more particularly to the printing bureau. Before I deal with this aspect of the matter I should like to make a statement or two as to the nature of the French language in Canada in order to dissipate some of the die-hard misconceptions which exist. It is to our farmers and their educators that we owe the fact that the French language in Canada has been kept in a condition of pristine purity which invites not the pity but the envy of our visitors, not excepting even Frenchmen themselves. In making this assertion I refer more particularly to the country people here and in our country of origin. I would even take issue with such a learned gentleman as Professor De Champs, professor of French at Toronto university. In the Evening Citizen of February 17 appears the following:

> Professor De Champs denies that the French of the French Canadian farmer is better than that spoken in the provinces of France.

Should any hon. member entertain any doubts as to the quality of our language I would refer him to a series of articles which have been appearing in Le Canada Français under the title Le français des Canadiens est-il un patois? These articles are by Professor Martin of the university of France and the university of Dalhousie at Halifax, Nova Scotia. Instalments have appeared in the issues of September, October, November and December, 1933, and January, 1934, the series being still uncompleted. Professor Martin is a gentleman of great linguistic experience both in Canada and in France. From what has appeared so far in these articles the conclusion would seem to be that our language has nothing of the patois in it but is fundamentally French, and French of the best quality.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 28, 1934

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BATTLEFORD, SASK., MAIL CONTRACT

Mr. VALLANCE:

1. What are the names of the persons who submitted tenders for mail contract rural route No. 1, Battleford, Saskatchewan?
2. What is the amount of each tender submitted for that contract?
3. What is the name of the person to whom the contract was awarded?

Mr. DUPRE (for Mr. Sauve):

1 and 2. Geo. W. French, Battleford, $475 per annum; James Savard, Battleford, $480 per annum; Geo. Laycock, Battleford, $489 per annum; W. H. Chapman, Battleford, $494 per annum; Fred G. Light, Battleford, $500 per annum; Victor Davies, Battleford, $600 per annum; Geo. W. French, Battleford, $600 per annum; Alex. Pritchard, Battleford, $720 per annum.

3. Geo. W. French, who was the lowest tenderer.

ROYAL CANADIAN MOUNTED POLICE—LIQUOR SEIZURES

Mr. LAFLECHE:

1. What number of seizures was carried out by the officers of the Royal Canadian Mounted Police, Canada, at Sherbrooke and Thetford Mines from January, 1933, to this day?
2. What quantity of liquor was seized in each case?
3. What number of automobiles was seized?
4. How many were sold by auction?

5. How many were returned to owners, by whose order, and why?
6. What is the number of automobiles that will be sold at the next auction?
7. What are the makes of these automobiles, and who are the owners?

Mr. MATTHEWS:

1. 26.

2. Amount of liquor seized in 12 cases—Nil; amount of liquor seized in 14 cases—as follows: 128 ounces alcohol; 3 gallons alcohol; 40 ounces alcohol; 25 ounces alcohol; 60 ounces alcohol; 48 quarts beer; 4 quarts alcohol; 2½ gallons alcohol; 1 quart alcohol; 12 ounces alcohol; 2 gallons alcohol; 17 ounces alcohol; 120 ounces alcohol; 4 gallons mash and 3 bottles spirits.

3. 9.

4. Automobiles not sold by auction, but by tender after due advertising. Four sold by tender.

5. Three cars released on payment of voluntary penalties collected by members of R.C.M.P. subject to decision of the Minister of National Revenue. One car sold by tender to former owner.

6. None—no cars sold by auction but April 1, 1934, tenders will be asked for one car.

7. Oldsmobile coach seized from David Metivier at Thetford Mines, Quebec.

PICTOU COUNTY, WHARF REPAIRS

Mr. DUFF:

1. Did the Department of Public Works spend any money either by way of construction or repair of wharves in the county of Pictou, in the calendar year of 1933?
2. If so, at what places were such expenditures made respectively?
3. Who were the foremen, in each case, and at what times were such amounts spent and amount of each expenditure respectively?

Mr. STEWART (Leeds):

1. Yes.

2. Pictou, Pictou Island, Bailey's Brook and Skinner's Cove.

3. Pictou: (a) Isaac T. Arbuckle; (b) July 22 to November 1, 1933; (c) $5,804.49. Pictou Island: (a) Allan MacFarlane; (b) August 21 to November 10, 1933; (c) $1,609.71. Bailey's Brook: (a) H. Scott Patton; (b) August 1 to November 18, 1933; (c) $864.73. Skinner's Cove: (a) Fred Shannon; (b) October 21 to December 31, 1933; (c) $1,895.85.

EDUCATION OF INDIANS

Mr. FRASER (Cariboo):

1. What is the distribution by provinces of the amounts spent on Indian education as reported in the Auditor General's report for the year ending March 31, 1933?

2. What is the Indian population of each of the provinces of Canada?

Mr. MURPHY:

1.

Indian Education Vote—Expenditure for year 1932-33

Prince Edward Island	$ 1,235 26
Nova Scotia	37,007 94
New Brunswick	17,073 74
Quebec	59,908 17
Ontario	374,920 34
Manitoba	216,389 73
Saskatchewan	303,181 40
Alberta	265,793 22
Northwest Territories	28,586 89
British Columbia	391,246 68
Yukon	16,880 59
	$1,712,223 06

2.

Indian population by provinces—census 1929

Prince Edward Island	295
Nova Scotia	1,929
New Brunswick	1,604
Quebec	12,885
Ontario	27,420
Manitoba	12,263
Saskatchewan	10,784
Alberta	9,846
Northwest Territories	4,615
British Columbia	25,107
Yukon	1,264
	108,012

SUMMERSIDE, P.E.I.—CUSTOMS COLLECTIONS

Mr. MacLEAN:

What amounts of customs were collected at Summerside, P.E.I., during the years 1926 to 1934, inclusive, giving yearly amount separately in each case?

Mr. MATTHEWS:

Import Duties

1925-26	$21,364 62
1926-27	21,491 25
1927-28	36,865 62
1928-29	33,786 20
1929-30	42,275 49
1930-31	29,224 75
1931-32	16,537 29
1932-33	8,768 41
1933-34 (10 months)	7,842 80

AIR MAIL SERVICE

Mr. VENIOT:

1. What air mail routes were carried on during the year ending March 31, 1933?
2. What routes are now being carried on?

3. What was the revenue from air mail service during the year ending March 31, 1933?
4. What is the cost to date for the year ending March 31, 1934?
5. What is the estimated cost for the balance of the year?

Mr. DUPRE (for Mr. Sauvé):

1. Amos-Siscoe; Big River-Ile a la Crosse; Buffalo-London-Detroit; Fort McMurray-Aklavik; Fort Resolution-Cameron Bay via Rae; Lac du Bonnet-Bissett; Leamington-Pelee Island; Moncton-Charlottetown; Montreal-Albany; Montreal-Rimouski; Narrow Lake-Sioux Lookout; Peace River-North Vermilion; Prince Albert-Lac la Ronge; Quebec-Seven Islands; Seven Islands-Anticosti; Charlottetown-Magdalen Islands; Siscoe-Pascalis; Toronto-Detroit (discontinued April, 1932); Vancouver-Victoria; Winnipeg-Pembina.

2. Amos-Siscoe; Big River-Ile a la Crosse; Buffalo-London-Detroit (discontinued May, 1933); Fort McMurray-Aklavik; Fort Resolution-Cameron Bay via Rae and Camsell River; Lac du Bonnet-Bisset; Leamington-Pelee Island; Moncton-Charlottetown; Montreal-Albany; Montreal-Rimouski; Narrow Lake-Sioux Lookout; Peace River-North Vermilion; Prince Albert-Lac la Ronge; Quebec-Sept Iles; Havre St. Pierre-Port Menier; Charlottetown-Magdalen Islands; Siscoe-Pascalis (discontinued July, 1933); Vancouver-Victoria; Winnipeg-Pembina; Sept Iles-Natashquan; Cameron Bay-Coppermine.

3. $290,301.69 (estimated).

4. Cost for present fiscal year up to January 31, 1934—$166,015.47.

5. $42,312.77.

RURAL MAIL BOX CONTRACTS

Mr. VENIOT:

1. What was the price paid under contract for rural mail boxes in 1927-28?
2. What was the price paid per box for the 10,000 boxes purchased by the present government?

Mr. DUPRE (for Mr. Sauvé):

1. $2.80 per box—plus sales tax of 10 cents each. Freight extra f.o.b. to various destinations.

2. $2.75 per box—plus 6 per cent sales tax —f.o.b. destination.

OTTAWA IMPERIAL CONFERENCE—REPRESENTATIVES OF CANADIAN LUMBERMEN

Mr. GUTHRIE: At the request of the Prime Minister I beg to lay on the table the answer to the following questions asked on February 26, by the hon. member for South Battleford (Mr. Vallance). These questions are not on to-day's order paper.

[Mr. Venoit.]

1. Who were the representatives of the Canadian lumbermen at the Ottawa Imperial conference of August, 1932?
2. What was the status of G. B. Nicholson at that conference?
3. Are there any authentic records obtainable regarding the discussion of the lumber industry in general, also in particular, the national and inter-imperial viewpoint or any brief on that question?

The answers are as follows:

1. No representatives of the Canadian lumbermen took part in the Imperial Economic Conference, 1932, which was a conference between governments.

2. Answered by No. 1.

3. The records of the discussions of the conference are confidential and, in accordance with custom, could not be made public without the consent of the governments represented. The report of the conference was laid on the table of the house on October 7, 1932.

GERMAN CONSUL-GENERAL IN CANADA

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, in the absence of the Prime Minister (Mr. Bennett) and at his request I beg to make answer to the following question asked by the hon. member for Cartier (Mr. Jacobs):

In view of the fact that Dr. L. Kempff, German consul general in Canada, has issued from his office in Montreal, publications grossly offensive to people of the Jewish race and likely to stir up enmity and strife in this country against Jews, will the government take appropriate measures for the suppression and confiscation of the anti-Jewish and pro-Nazi literature now being circulated by the German consul general in Montreal, and also for the recall of Dr. Kempff and other officials of the consulate who are responsible for such acts?

The hon. member for Cartier has not given any particulars of the publications which he states have been circulated by the German consul-general, and which he describes as anti-Jewish and pro-Nazi. I am, however, informed that the consul-general states that the publication issued from his office is one entitled Germany's Fight for Western Civilization, and that between two and three hundred copies of this pamphlet have been mailed to representative men in public and business life. We are assured that no further copies will be circulated.

It is not necessary to remind members of this house at any length of the privileges and responsibilities of the representatives of a foreign country abroad. It is clearly established that a diplomatic representative must abstain from intervention in the internal affairs of the country to which he is accredited. It is equally clear that in the performance

of his task of advancing and protecting the interests of his country, he is entitled to make representations to the government to which he is accredited on any development that may affect the interests of his own country. It is also recognized that within limits set more by custom than by any definite rule, he may give public addresses designed to increase the friendly feeling towards his own country, as Lord Bryce did so notably while ambassador at Washington, and that he may on occasion communicate to the press to correct what he considers a misstatement of fact on an important matter affecting his country, without, however, entering into a prolonged or acrimonious public controversy. In appropriate measure, the same rules may be taken to apply to consular representatives.

Ordinarily there is a clear line of demarcation between the internal affairs of the country to which a representative is accredited and the affairs of his own state. Issues may arise, however, of such broad and almost universal interest as to present aspects of concern to the people of all countries. I might refer to such issues as have arisen of late in more than one country in Europe, involving discussion regarding the merits of freedom of speech, the democratic form of government or pacific ideals in international policy—issues which of course are a matter of interest and concern in Canada as well. Naturally, in the discussion of any such issues, there is double necessity for caution.

I can say to the hon. member for Cartier that I do not think any occasion has arisen for suggesting the withdrawal from Canada of Doctor Kempff, or other officers of the consulate. The consul-general is a man of long experience in the dominion and of proved friendliness to this country. I am sure he had no intention of intervening in Canadian affairs, and that no further circulation may be anticipated of documents which, while intended to support the attitude of his government, contained material objectionable to large sections of Canadian opinion.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPROPRIATION OF BUILDINGS, MONTREAL

Mr. MERCIER (St. Henri):

1. Has the government completed the expropriation of the buildings erected in the square composed of St. James, Windsor, St. Antoine, and Cathedral streets, in the city of Montreal, province of Quebec?
2. What are the names of the proprietors of the buildings expropriated in said square and the amount paid to each one of them?
3. Have all the buildings acquired by the government, to date, been demolished?
4. If any of the buildings were not demolished, were these properties rented by the government to a third party?
5. If so, to whom, for what period of time, at what rent or on what terms?

Mr. STEWART (Leeds): Return tabled herewith.

SOREL TIMBER YARDS—EMPLOYEES

Mr. DUBOIS:

1. What are the names of the supernumerary employees who have worked in the maritime timber yards of Sorel during the months of September, October, and November, respectively, 1933?
2. From what county is each one of them?
3. Who recommended each one of them?

CIVIL SERVANTS—DISCHARGED AND SUPERANNUATED

Mr. REID:

1. What was the total number of civil servants and government employees discharged and superannuated under the ruling regarding all employees 65 years and over?
2. What were the numbers discharged and superannuated respectively, in each department of the public service since the order came into effect?
3. How many persons 65 years of age or over, are still in the employ of the government?
4. What are the names of the said persons, and in what respective departments of the public service are they engaged?

SUNBURY, N.B., UNEMPLOYMENT CAMP

Mr. MICHAUD:

1. What supplies, if any, for the unemployment relief camp at Sunbury, New Brunswick, were purchased in New Brunswick?
2. From whom were they purchased?
3. Have tenders been called or invited for such supplies?
4. If so, who tendered, and what was the amount of each tender?

REVENUE FROM QUEBEC POST OFFICES

Mr. FRASER (Cariboo):

What is the total revenue derived from the 658 post offices in the province of Quebec, specified in sessional paper No. 95, dated January 26, 1934?

MOTIONS FOR PAPERS

BAGOTVILLE, QUE., POSTMASTER

Mr. CASGRAIN:

For a copy of all correspondence, reports and documents, in connection with the appointment and dismissal of Mr. J. C. Levesque, postmaster at Bagotville, and also for a copy of all correspondence, reports and other documents relating to an inquiry held in connection

with charges made against said J. C. Levesque, including the proof and evidence of all the witnesses heard at said inquiry together with the decision arrived at by the commissioner who held said inquiry.

Mr. DUPRE: It may be stated in reference to this motion that there is no correspondence concerning Joseph C. Levesque, because he was never postmaster at Bagotville. I am informed that this man acted as assistant to his mother, who was the former postmistress at Bagotville and was dismissed on August 22, 1931, on account of old age and inattention to duty.

Mr. CASGRAIN: With the permission of the minister may I ask if he has any information or documents relative to an inquiry held concerning this same person, Mr. Joseph C. Levesque, when he was acting as postmaster for his mother?

Mr. DUPRE: I am not ready to say that he acted as postmaster, but I may tell my hon. friend that the copy of all correspondence, including reports of investigations, and so on, was tabled in the house by the Postmaster General on April 11, 1932, in compliance with an order of the house passed at the request of my hon. friend, himself, on March 7, 1932. If there is any report on Mr. Levesque himself, my hon. friend would find it in the documents then tabled. I suggest, Mr. Speaker, that the motion might be dropped if my hon. friend is willing.

Motion withdrawn.

PASPEBIAC, QUE., WHARF

Mr. MARCIL:

For a copy of pay lists and accounts for material in connection with work done on the Portage wharf at Paspébiac, Quebec, in 1933 and 1934.

PEACE RIVER OUTLET

PROPOSED CONSTRUCTION OF RAILWAY FROM DISTRICT TO PACIFIC COAST

Mr. D. M. KENNEDY (Peace River) moved:

That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

He said: Mr. Speaker, it is not my intention to take up a great deal of the time of the house this afternoon, possibly not the whole of my forty minutes, in going over some of the arguments which time and again have been presented in this house for the last ten years. But as the representative of the Peace River country I think it is my duty to bring this matter again to the attention of the house and the government. The whole program of railway development in a new country is a very important matter not only for that particular part of the country but for the dominion as a whole. While we have not yet got an outlet to the Pacific coast, certain developments with regard to railways have taken place in the last ten years which have been of importance to the more thickly settled portion of the Peace River country, and our efforts in that direction and the developments that have taken place for the assistance of the settlers have been of some consequence. However, due to the dry weather in the more southerly sections of Saskatchewan and Alberta and to the difficulties they have experienced in those sections with regard to grain growing, there has been a large influx of settlers from those sections into the newer district of Peace River. Anyone who will study the population of those western provinces will be very much struck with the thinning out of the population in the southern sections that has taken place over a period of years and with the movement to the northern portions of the province of a large number of settlers from the southern sections. The population of the Peace River country has in the last ten years increased from about twenty thousand to something like fifty thousand, and of course that is one reason why there has been a constant demand for new railways, new roads and new schools in that district. But notwithstanding the depression, and that we have, or think we have, a great deal of difficulty in providing new facilities, there is a constant need and a constant demand for these new facilities regardless of what may be happening in the country generally. We still have settlers trying to establish themselves at a distance of sixty, seventy-five, eighty and a hundred miles from a railway, and that is not just in a few isolated cases. I will mention Battle River prairie, located eighty miles north of the town of Grimshaw and about a hundred miles by road from the town of Peace River. There we have a large territory, possibly twenty miles square, which is thickly settled and is being developed in spite of the present handicap of low prices, so low in fact that in some cases grain will hardly pay for its cost of transportation to the railway, and in other cases it actually does not pay the cost of transportation. In that settlement we have people who have moved in there from older settled districts where some of them were

well established. They have come into this newer country in an effort to reestablish themselves notwithstanding the handicaps and difficulties of the situation because, so far as they can see, it is the very best thing they can do. The only alternative for them would be to go into town or into some other district where they would be able to do practically nothing for themselves and would have to accept direct relief.

Then we have the Hines Creek and Clear Lake prairie country lying north of the Peace river, and passing through to Hudson Hope through the constituency of my hon. friend from Cariboo (Mr. Fraser). There is a settlement there in a section about eighty miles long and possibly ten to twenty or thirty miles deep. Driving through it you would hardly notice that there were any settlers, but if there was anything to draw them together you would soon find large groups of settlers gathering together from the timber and park sections of that district where they are trying to hew out for themselves new homes amongst the timber and the bush.

We have also settlements on the south side of the Peace river extending back right to the Rocky mountains. They are mostly new settlers who have come in there from the older districts to make a new start and reestablish themselves so that they may be independent of relief so far as that lies within their power. They have a tremendously difficult task before them, difficult enough for young bachelors, but much more difficult for older men who have families, some of whom have been well off in other days but have come up there to start the battle all over again and provide for their families. Many of them are enduring tremendous hardships and are forced sometimes to ask for relief. But they are doing their very best to reach independence by their own efforts.

It seems to me a tragedy that we have to say in the face of such conditions that we will not go ahead and spend any more money for railways because, forsooth, we are having certain financial difficulties in this country. Over a long period of years in the history of railway development in this country we have made mistakes, and we are now trying to do something to consolidate the railways of Canada and to provide for more cooperation and the elimination of duplication. But, Mr. Speaker, I submit that there is no question of duplication in this instance.

How are these people going to be able to establish themselves,—and I think that would be a good thing in the interests of the whole country,—if they are not able to earn money; if there is no new government money, if you like, coming into the district so that they may earn something by their own efforts to pay their expenses and help reestablish themselves? How are they going to be able to establish themselves with the low prices that prevail to-day? It seems to me that the government must assume some responsibility in the matter of enabling these people to establish themselves. The situation calls for something more than direct relief, if they are to be given any encouragement in their efforts to establish themselves and get some satisfaction out of their lives. We have throughout that whole country a type of people generally who hate to take relief, and will only take it as a last resort when they are absolutely forced to it, and because of that fact I am very anxious to see the government undertake to do something in their behalf.

I mentioned a little while ago the question of duplication, but I submit that there is no real question of duplication here. That whole country has been surveyed, and surveyed in such a way that it is possible to lay out a plan of development of the Peace River country, covering ten times the amount of land that is now under cultivation, and without a single mile of duplication in the whole thing. We know exactly where the branch lines ought to be and where the main outlet ought to be, and where the branch lines and the outlet should be fitted into one another so that we will have one harmonious whole when the railway project is completed.

This afternoon, Mr. Speaker, I am not going to say that we ought to vote in this house a sum of money to carry through the whole railway program at once, but I am asking for a gradual development looking towards the completion of that outlet so as to give the settlers who are there an opportunity to establish themselves under reasonable conditions. The financial argument crops up at once but I submit that this is not as serious to-day as it was a year ago. There is talk everyhere of a general recovery. The speech from the throne stated that there was evidence of a return to permanent prosperity. While that statement may be a little strong, there is certainly evidence of a return of something better than we had a year ago. Because this is true not only of Canada but of countries like Great Britain and the United States we have reason to believe that this recovery will continue. I hold in my hand the monthly review of the Midland bank, and I should like to quote from a speech of the

Right Hon. Reginald McKenna. Among other things he says:

> World trade may still be disorganized, the exchanges chaotic, international dealings hampered by prohibitive tariffs, quotas and other restrictions; yet, notwithstanding all these obstacles, often described as insuperable, the trade of this country by universal acknowledgment has for many months been making steady and gratifying progress.

And again:

> The supply of an adequate quantity of money is now seen to be as certain in restoring trade and employment as the curtailment of the required supply is certain to restrict them.

And again:

> The word inflation is in constant use as a term of reproach; but just as deflation may be good or bad according to the conditions at the time it is put into operation, so also with inflation.

He continues:

> We have seen a revival of business and a return to employment, accomplished by a comparatively slight rise in the price level;

He was dealing with the matter from the standpoint of monetary operations but the point I desire to make is that he stated that there had been a general recovery and improvement in prices. It is acknowledged everywhere that if we can get an improvement in prices we shall be able to start out of this depression. I think it is generally acknowledged that recovery is on the way in the United States. Prices have risen there as well as in Canada. We have seen a rise in the prices of farm products, hogs and wheat as compared with those prevailing a year ago. I think the legislation before this house as well as other things that have happened in connection with the monetary policy give a definite indication that the financial question is on the way to a solution and that to some extent we are leaving the depression behind. This being so, I hope that we shall be able to arrive at a partial solution of the great problem of an outlet for the Peace River country. It seems to me that keeping people unemployed when they are willing to work is a great waste which should be eliminated in the near future.

In connection with the question of the duplication of railway mileage, I desire to say again what I have said before. The survey made of the Peace River country by the engineers shows that when this outlet is completed there will be an average of 6,000 acres of economic land to a mile of railway as compared with the average of 5,000 acres for the three prairie provinces. I think this answers any argument as to duplication. I think on the whole our yields of grain and other commodities have been a little higher than those of the three prairie provinces. This indicates that the construction of this railway should prove to be a reasonably economic proposition. A survey has been made of 2,000,000 acres along one of the proposed routes of this outlet and this shows that the land is suitable for agricultural purposes. I do not know of any instance in Canada where a development has been so well planned and where the results have been predicted with such certainty. There has been a careful study made of the cost of construction, the relation of branch lines to one another and the value of the land.

There has been developed to-day in the Peace River country about 1,000,000 acres of land out of a total of about 10,000,000 acres of economic land. Five engineers, Fairbairn, Gzowski, Hill, James and Sullivan, surveyed this route in 1925, and their report shows a total of about 8,500,000 acres of economic land. Some years ago the Department of the Interior issued a pamphlet on the Peace River country and this showed the total number of economic acres as 10,000,000. I think the latter figure is just about right, but whether it is 8,500,000 or 10,000,000 acres does not matter. The fact is that 1,000,000 acres have been developed.

I should like to deal with some of the arguments advanced in the report of the engineers against the construction of this line. I do this because I submit that the arguments advanced at that time can be shown to be not entirely sound to-day. It is impossible for anyone to sit down and state what will happen in the future. These engineers did their best but I do not think their arguments apply to-day. They stated that there would not be a sufficient density of traffic to make the railway pay at anything like the then existing rates, which were 39 cents per hundred pounds. Another argument was advanced to the effect that grain traffic does not pay. They stated that as the traffic from the Peace River country would be mostly grain there was every reason to expect that the railway would not pay very well. I should like to submit a few figures to the house in this connection. At pages 66 and 67 of the steam railway statistics of Canada for 1932 is given the total gross earnings of the Canadian Pacific Railway, the Canadian Northern Railway, the Northern Alberta Railway and other railways of Canada. The mileage and so on appears on page 54. I have worked out a table showing that the total gross earnings per mile of line on the Canadian National

Railways is $6,377. These are the earnings for the year covered by the 1932 report. The Canadian Pacific earned $7,246 per mile of line, while the Northern Alberta lines earned $1,812 per mile.

In regard to the operating ratio I find that the Canadian National, with earnings of about $6,000 per mile of line, had an operating ratio of 95·96, while the Canadian Pacific had a ratio of 80·70. The Northern Alberta lines, with gross earnings of only $1,812 per mile, just about one-third the earnings of the other two lines, had an operating ratio of 79·13. I know none of these lines is doing very well to-day in the way of earnings, but I am saying that notwithstanding the argument with regard to the density of traffic; notwithstanding the argument with regard to the unprofitableness of the grain traffic, as set out in the report of 1927, the Northern Alberta lines showed a better result from the standpoint of the operating ratio than either the Canadian National or the Canadian Pacific.

I am not going into the question of why this should be so. There may be certain matters of grades which would account for it, or it may be due to other factors, but notwithstanding the fact that all the railways are having difficulty in connection with earnings the Northern Alberta railways, a large portion of which are operating in the Peace River district, showed a better result from the standpoint of the operating ratio than did either the Canadian Pacific or the Canadian National.

Mr. REID: Would the hon. gentleman permit a question? He spoke of the development of wheat acreage. Is the hon. member in favour of the agreement to curtail the wheat acreage?

Mr. KENNEDY (Peace River): That is another question, but I will say that I am in favour of the wheat agreement. I distinctly said so the other day, and I do not know why I should be asked that question again. The problem of settlement on the land does not involve the question of wheat. I am giving the results of the operation of the Northern Alberta railways with the traffic that is available. The problem of settlement in the Peace River country to-day is a problem of the development of homes in that country, and that will be the problem for years to come as far as new settlers are concerned. Unless something happens with regard to the world demand for wheat there must be a change in the development of new countries from what we have had for the last twenty years or so in western Canada.

My hon. friend has brought up the question of whether there is room for the development of this new country. One argument is that some settlers are moving from districts where they were farming large acreages into a country where they are going to farm small acreages under different conditions. Another argument is that we have a first-class country for producing hogs, and there is plenty of room for the development of this industry in Canada in connection with our export quota.

One of the reasons why I mentioned grain, and one reason why I said the railway was paying, is that grain constitutes about four-fifths of the total traffic on the Northern Alberta railways. It is not the same year by year but that is about the figure. For instance, in 1932 the grain traffic amounted to about 350,000 tons, while the grand total was 525,000 tons. On the Canadian Pacific and the Canadian National grain constitutes about one-fifth or one-sixth of the total tonnage.

Years ago it was said that railways built north of Edmonton would never pay for their axle grease. A survey of the Peace River country was made by a man who has since passed away, I believe, James M. Macoun. In his report—which I believe was suppressed—he informed the people of Canada that the Peace River country never would be fit for white men unless they were ready to accept very low standards of living. Then we had the report of the five engineers, which threw cold water on the railway development for which we were asking in 1925. In spite of everything, however, the Peace River country has developed, and it has justified the construction of the railways which some people did not expect to pay for the axle grease they used. To-day, in spite of the difficulties encountered in a new country, they are making as good a showing, so far as the operating ratio goes, as are the two main lines of railway in Canada. I believe it is going to take a number of years to work out the solution, and by the time that is done and the outlet is completed probably we will have a general improvement in conditions. We have people in there who are anxious to establish themselves in homes in that new country, people who wish to be independent of relief, who wish to be self-supporting, and who have sacrificed everything people should be expected to sacrifice in order to be in a position to settle in that country.

In spite of the difficulties that may exist I would like to see the government take hold of this matter and begin construction; extend branch lines, if necessary, in order to give rail-

way service to those who have settled along the probable route, and complete the outlet as soon as it is financially possible and economically wise to do so, which I think will be in the not far distant future. I say that not a single statement, discouraging though many of them appeared at the time, that has been made against this development has been borne out by the facts in a reasonable way, and I submit that this construction is absolutely justified.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I desire to occupy the attention of the house for only a few moments in order to lend my personal support to the resolution that has been moved, with commendable fairness, by the hon. member for Peace River (Mr. Kennedy).

On looking over the debates of former years I find that the situation in the Peace River territory was very carefully discussed in this house in May, 1932, when the hon. member for Peace River submitted a resolution very similar indeed to the one moved this afternoon. At that time the Minister of Railways (Mr. Manion) made what I thought was a very fair reply. Again last year I believe the hon. member for Peace River introduced another resolution in this house which went to a division and was lost by a considerable majority.

I must congratulate the hon. member for Peace River for being at least consistent on one point since he took his place in this house. I find, on looking up the records, in 1922 in the first place he brought this whole question to the attention of this chamber and as a result of his representations at that time I find that a sum of $50,000 was voted for a reconnaissance survey of the Peace River area, this sum being increased to $75,000 in 1923. I find also from the records that in 1924 a meeting was held in the office of the then Minister of Railways, the Right Hon. George P. Graham, at which meeting there were present to discuss this whole question of the Peace River development the late Sir Henry Thornton; Mr. E. W. Beatty, K.C., president of the Canadian Pacific Railway; the Hon. Mr. Greenfield, at that time Premier of Alberta; the late Hon. Verner Smith, at that time Minister of Railways of Alberta; the late Mr. W. F. Maclean, then one of the members for Toronto; the present member for Peace River (Mr. Kennedy) who has just sponsored the resolution, and the late Hon. John Oliver, then Premier of British Columbia. It was agreed at that time that certain surveys should be made and as a result of the agreement arrived at a report was made in 1925 which was, I believe, tabled in this chamber early in 1926. This report was signed by five engineers and, as the house is aware, it recommended the Obed route.

Very briefly I wish to reiterate what I said on this whole question in 1932, and that is that an obligation of honour rests upon all parties represented in this house in regard to the construction of an outlet from the Peace River area to the Pacific coast. I desire again to place upon Hansard the declarations made, first, by my own right hon. leader (Mr. Mackenzie King), second, by the then leader of the Conservative party, now leader of the Senate, and, third, by the present Prime Minister (Mr. Bennett) in his Winnipeg speech in 1930. Speaking in Edmonton in 1924 my leader said this:

> I pledge myself that as soon as it is humanly possible the great Peace River country will be given that measure of railway relief that will bring to the pioneers of that country the outlet they have been so long denied, and will open up the country for prospective settlers.

I find that about the same time the Right Hon. Arthur Meighen speaking also in Edmonton, on October 1, 1924, made the following statement:

> I have always urged that the north country should have railway relief. I cannot be accused of making futile promises, such as the Hon. Mackenzie King promised in the speech from the throne, at the opening of the last session of parliament, when he stated he was going to give railway relief to the north country, but nothing has been done.

Then the present Prime Minister, speaking in Winnipeg in 1930, used these words:

> We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the construction of such branches as may be necessary to render it most readily available to every part of Canada; to the Pacific slope by a Peace River outlet, and east and west by the development of the St. Lawrence waterways, and we pledge ourselves to aid existing traffic channels and to increase port facilities.

Since that time, as the house is aware, comprehensive surveys have been made of the entire project, as a result of which there has been unfortunately a lack of unanimity among the engineers in regard to the best route to be followed; but I agree entirely with the representations made by the hon. member for Peace River, in the first place in regard to the great value and the richness of the soil of what is a veritable empire itself, in the second place in regard to the necessity of doing something constructive to assist the settlers who are in that territory. I think the minister will agree with me that those

settlers, of whom there are now 40,000 or 50,000, are in that area to-day as a result of representations made to them by various governments, some being made by both governments of British Columbia, some by both governments of Alberta and some by both governments of the dominion. I believe to-day, when we are going to consider entering upon gigantic projects of public works in the near future, there is, regardless altogether, first, of partisan considerations and, second, of the various reports that have been made by railway engineers, an obligation of honour resting upon this chamber to carry out the promises that were made, as long ago, I believe, as 1924, ten years ago. If the government is to consider in the near future a system of public works, I would make this recommendation to the Minister of Railways (Mr. Manion), and I said this two years ago. I believe the line from Prince George to Finlay Forks could, according to the report of Major Crysdale, be constructed for $6,000,000 and construction costs will be lighter to-day than they probably will be at any time in the future. I appreciate the fact that the wheat policy of Canada is being changed by the wheat agreement, and at the present moment I do not want to be critical of that agreement, for I quite realize the significance of the question asked by the hon. member for New Westminster (Mr. Reid), because in the old days those who believed in the Peace River development believed in it essentially on account of the wheat growing possibilities of that area, but I agree with the hon. member for Peace River that it has great potentialities in addition to wheat growing. Therefore I recommend to the government that they take into serious consideration the advisability of including in the public works project they are about to undertake, the construction of a Pacific coast outlet.

I do not see how members from eastern Canada can ask us from the west to support any scheme for the development of the St. Lawrence waterway when they refuse to lend their support to the building up of what, to my mind, is of far greater importance to the dominion and contains far greater possibilities for the enrichment of our Canadian nation. Therefore I trust that in the same constructive way as that in which I have endeavoured to support the resolution of my hon. friend, the Minister of Railways will join all parties in this chamber and the government will take steps as soon as possible to build the very much needed outlet from the Peace River country to the sea.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I should like to say a few words in support of the motion of the hon. member for Peace River (Mr. Kennedy). First, it is rather surprising to me, in looking over the records of last year, that after all the splendid arguments that have been brought to bear upon this question, not only by the hon. member for Peace River but by others, a similar resolution moved last year received the support of only thirty-nine members of the House of Commons. That being so, I think there must be something wrong or something lacking in the arguments that are being adduced in support of this resolution. I am wondering whether we are not looking at the question from too limited a viewpoint. The general support of the question has been from an agricultural viewpoint, or probably not so much that, but, to be more specific, from the point of view of raising wheat and other grains in that district. Probably too much stress has been laid upon that angle, and I propose to say a few words on some of the other potentialities of that important area.

In the first place, I am not surprised that under present conditions the government should find it hard to justify itself in providing probably $20,000,000 or $25,000,000 for the purpose of increasing the production of wheat in the Peace River area when they have already on their hands something like 140,000,000 or 150,000,000 bushels of wheat that they cannot dispose of. Such an attitude is not very strange and, as I say, I am not surprised that there should be a certain amount of hesitation and cogitation in regard to this project before they put more of this country's money into the construction of a Peace River railway. And that is not the whole trouble that this government may have in considering this question, because after all every member of this house knows, and nearly every person in the Dominion of Canada should know by this time, that the railway problem is the largest and most serious single problem facing the dominion, so I can readily understand that there should be a certain amount of hesitation. At the same time I admit that we are probably looking at this question from too limited a viewpoint. I want to assure the house in the first place that there are immense opportunities in the Peace River country for the development of the live stock industry. That is important for the dominion; it is particularly important as far as the province of British Columbia is concerned. Let me call the attention of the

house to the situation with regard to the production of live stock there. British Columbia is a very large importer of live stock products. At the present time we produce about 50 per cent of the amount of beef that we consume in British Columbia, and that notwithstanding the fact that in the central area, which I represent, we have the largest stock producing range area in the Dominion of Canada. With regard to hogs, you do not have to go to London to find a market for Peace River hogs, because British Columbia raises only ten per cent of the hogs she consumes. A similar situation exists as to butter; there are immense possibilities for the production of butter in the Peace River country. British Columbia consumes 20,000,000 pounds of butter a year, and we are actually producing at the present time about 5,000,000 pounds. So there are enormous opportunities for agricultural expansion apart from the production of wheat. By the way, in referring to the Peace River country I am speaking of the British Columbia area. The hon. member for Peace River is better qualified to speak of the Alberta area than I am, and perhaps is as well qualified as I am to talk about the Peace River area in British Columbia, because he lives closer to it and comes in contact with it oftener than I do.

With regard to the production of hogs, I want to submit a clipping from the Peace River Block News, the only paper published in the British Columbia area of the Peace River country. Let me say first that I have seen these hogs being shipped. I want the house to understand that the Peace River country is a new country, and there are very few diseases amongst the live stock in there. The stock that has been brought in has been well and carefully selected; it is well bred and well fed. I never looked at a prettier line of hogs than I have seen coming out of that country, and I am sure you would find they grade very high in Edmonton. Here is the latest information I have with regard to hogs produced in that country, taken from the Peace River Block News, published in Dawson Creek, the issue of February 7 of this year:

> On January 30, the day the Peace River hogs were sold, $8.85 was paid for bacons. Dawson Creek Cooperative Live Stock shipping association shipped out 123 hogs which averaged $16.10 per hog net.

Then it goes on to say:

> The Peace River district shipped 1,756 hogs on this train which sold for about $25,000 or an average of roughly $14.25 gross.

[Mr. J. A. Fraser.]

That is in Edmonton. Then it goes on:

> In December, bacons were selling at $4.75 on the Edmonton yards so that the last shipment realized over double as much as a month previously. When the price of $2.75 paid 13 months ago is compared with returns of January 30, 1934, the benefit of the British quota is still more apparent. The price paid 13 months ago for a 220 pound bacon hog was $2.75 per one hundred pounds, less 80 cents per hundred pounds freight and commission which would net the shipper $4.38. The same hog at $8.85 would give $17.71.

Note the difference in price, just four times as much as it was a year ago. I submit that there will be a tremendous expansion of all branches of the live stock industry as soon as proper railway facilities are provided for this country. Not only that, but that industry will afford a splendid market for the grain that grows so luxuriantly there. In the Peace River country they do not consider they have had a crop of wheat at all unless it averages forty bushels to the acre, and of oats 125 bushels to the acre is not uncommon. They have plenty of feed; the country is healthy and with proper care can be kept healthy; the stock that is in there at the present time is of first-class quality, and I have no doubt that the people in there who are raising live stock are intelligent enough to see that diseases are kept out. Let the members of this house never forget that they should not confine their thoughts to wheat when thinking about the development of the Peace River country.

There are other things besides live stock along the route of the proposed railway—and let me say that I never talk about the Obed route; there must have been something wrong with the engineers when they indicated that as a proper route by which to tap the Peace River country. I have always believed that the Peace River country should be opened up only along the Peace river itself.

The house should not overlook the fact that in the valley of the Peace river there are almost unlimited quantities of timber awaiting some means of transportation.

In the area will be found all the water power necessary for the manufacture of the timber.

But in my opinion wheat and live stock and forestry are comparatively only side issues in the development of the Peace River country. Coming as I do from a district which is vitally interested in the development of the mining industry, I consider that the mining possibilities of the Peace River country offer magnificent opportunities for the investment of money and the employment of labour.

Let no man forget that the mining industry when it is active and prosperous, when minerals are at a fair price, is the largest employer of labour of any industry and is also the largest consumer of all kinds of goods. From that point of view the mineral resources of the Peace River country are entitled to attention. What is the extent of the mineralized part of that area? It must be remembered that it is largely an unexplored country and it is difficult to give an accurate idea of just what the mineralized zone may be, but as nearly as I can judge it is 50 miles north and south and 150 miles east and west, or 7,500 square miles. This zone is very highly mineralized, and might produce any kind of mineral, particularly gold. What other commodity in the world to-day commands the attention that gold does? All through the Peace River area—and I am not speaking of the agricultural area but of that portion tributary to the Peace River and through which all these streams run—there is a highly mineralized section, capable of immense mineral development. In that area there are at least 7,500 square miles. So far as mines are concerned that is a tremendous area. Not only are there lode mines, but there are placer mines as well. In the area to which I have referred there are probably 500 miles of gold producing rivers and streams. If they would produce gold a few years ago sufficient to give a man a living, what will they do to-day?

I could give an illustration of the difference that the price of gold has made in the production of that commodity in my own community, because I am surrounded on all sides by exactly the same kind of gold bearing streams. Twenty or twenty-five years ago we had 400 or 500 prospectors working up and down our rivers. Those men made their living entirely by rocking or sluicing the banks and benches of the gold bearing streams in that area. They did not make a great deal of money, probably only a dollar or a dollar and a half a day, but they were able to eke out an existence because living was quite cheap. During the years of high wages those prospectors drifted away from their occupation because they could get better wages doing other work. To-day, however, on account of the depression these prospectors are coming back, and I want to tell you that in my own business, last year, I bought from just these small producers something pretty close to 1,000 ounces of gold. I do not purchase gold in large quantities at all. If a man has forty or fifty ounces he will never come to me with it, but he will send it right straight through to the assay office. All my purchases are made in quantities valued from $5 to $50. Despite the small purchases however I obtained an amount approaching 1,000 ounces. That is all new money. The activity is due partly to the depression, because these men, who are active enough to undertake the work, are doing the very best they can to keep off relief. I have known dozens of them, personally, who have come to me and told me that they were tickled to death to be able to make enough money to buy grub for themselves for another couple of weeks.

That is the condition which might be duplicated in the Peace River country, because there are just as many gold bearing streams in that country as there are in my own community. That is not all the placer prospects there are in the Peace River district by any means, because there is the Omineca section in which placer operations are going on at the present time. Large sums of money are being expended there in opening up placer mining properties. They are providing labour, and they have to haul their stuff with tractors through woods, where there are no roads at all, both in winter and summer for a distance of about two hundred and seventy-five miles. If the railway were put through the Peace River country transportation would be brought almost to their doors at least, that is the way they would feel, because they would have to travel a distance of only fifteen or twenty miles to reach a railway. One can imagine the difference it would make to the work of the placer miners. But that is not all.

In addition to the placer miners there are the lode miners. When one surveys the possibilities for lode mining he is simply staggered. I want to say that the whole 7,500 square miles is just as capable of production as the particular section about which I am now going to speak. It is just as capable of producing large quantities of gold and providing employment for many men. By the way, in passing let me say that in British Columbia we have, as hon. members from British Columbia know, what for the last ten or fifteen years has been described as a white elephant. I am referring to the Pacific Great Eastern railway. The year 1933 was the first year since the construction of the railway that it has paid operating expenses. This year on the operation of the railway we had a profit of $73,000. That is a very satisfactory result when we remember what has been happening since the road was first built.

What is the reason for the change? What made it possible for the Pacific Great Eastern to make a profit?

Some hon. MEMBERS: Gold.

Mr. FRASER (Cariboo): Nothing else but gold. Only one thing has been responsible, and that has been the activity in the gold mining portion of that district. Just to show hon. members what a little change it takes in industry to take a railway out of the red and put it on a paying basis may I say that in Barkerville, one of the most active areas, probably an area of ten square miles—not more than that—is the one which is under investigation at the present time. I do not think there is much more than double that amount under investigation in the Bridge river country. On account of the activity in the mining industry these two small areas have brought that railway from a non-paying proposition to a paying proposition. Is it not well that this house should be reminded of conditions of that kind when we are talking about the Peace River railway. I think we should have our attention directed to the possibilities for mining in the Peace River country. Do not forget what 7,500 square miles of area means in a placer mining country. There are good rivers which will produce employment on their benches and bars for placer mining. We have the Finlay, the Parsnip, the Peace and fifteen or twenty of their tributaries throughout the whole of their length.

The one particular prospect to which I shall direct the attention of hon. members in connection with lode mining, is that located at Mount Selwyn, at the junction of the Parsnip and the Finlay rivers. Mount Selwyn is one of those large, barren looking mountains that anyone may see in British Columbia in almost any quarter he may travel. But the fact that it contains minerals makes considerable difference. What are the prospects or possibilities for that little section at the junction of the two rivers I have mentioned? I refer to the point where the Parsnip and the Finlay rivers meet, and from that point run together as the Peace river.

I shall now direct my attention to statements made by mining engineers who for the last twenty or thirty years have been examining the property. At this point I shall outline some of the results of their investigations. These men are men of good standing, and men whose opinions should be respected. They are men who have nothing to gain by giving out information which is more or less unreliable. The estimated tonnage in the one property at the junction of the two rivers I have mentioned is 1,384,000,000 tons of ore above the level of the Peace river. Some hon. members have heard of Canadian mines which go down three or four thousand feet below the level of the present stream. There is no reason why the ore in Mount Selwyn would not go to any conceivable depth. It might just as well go six or seven thousand feet below the rivers as it towers four or five thousand feet above the river. One engineer has made the statement that if the ore averaged $2 a ton, it would be the largest mine in the world. A number of assays have been taken, and of 63 assays the ore averaged $4.28 on the old valuation of gold. Also four hundred samples of that same ore ran from $4.70 to as high as $12 a ton.

I could elaborate, Mr. Speaker, on the possibilities of mineral production in the Peace River country and in the territory contiguous to this proposed railway at much greater length than I have done. Probably I could write such a good prospectus that many hon. gentlemen listening to me would wish to subscribe and take shares in some of these properties; but I do not propose to go any further. All I can say is that I am amazed that this situation should remain as it has done before this parliament, where it has been under continuous discussion for the last ten or twelve years, with nothing done. After the house has had the advantage of listening to the case presented year after year by the hon. member for Peace River (Mr. Kennedy) the situation still remains as it was ten years ago. It is amazing. The biggest surprise I got out of it all was when I turned up the records to-day and found that on a proposition of this kind only thirty-nine members of the house were found supporting it and all the rest opposing it.

I submit, Mr. Speaker, that the development of the Peace River country does not rest only upon the production of wheat. It is time that greater attention was paid to the other possibilities of the Peace River country and that we forget about wheat. I would not be at all alarmed over the possibility of an extra production of wheat because the people in the Peace River country are all intelligent—they would not be there if they were not—and they know just as well as we do what the situation is regarding wheat. They are not going to grow wheat when they cannot sell it. Do not believe for one minute that they are going to grow a lot of wheat when they know perfectly well that the market cannot absorb it. They will turn their attention to other kinds of production, and there are all kinds of things that can be

produced in that country in addition to wheat. I have very much pleasure, Mr. Speaker, in supporting the motion of the hon. member for Peace River.

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, I wish to take advantage of this opportunity to say a few words in favour of the resolution which has been moved by my hon. friend from Peace River (Mr. Kennedy). Sometimes it may be thought in this house that the people of the east and their representatives are not interested in the problems of other parts of this country. That certainly is not the case, and if my humble voice can destroy any prejudices in that regard I shall feel that I have not spoken in vain.

This year I had the advantage of making my first trip to the west. En passant, may I say that I shall always remember that trip and the kindly way in which I was received by my fellow-citizens of French and English origin and by those of Liberal and Conservative belief. I might add that the Progressives also were kind enough to facilitate my trip through the west.

I went to the Peace River district, where I have quite a number of relatives and friends who have gone out there from my own district. It is undoubtedly true that to make such a trip gives one a far better knowledge of the actual situation than one can acquire by reading books, historical and geographical, on any country. I was surprised to find that the district of Peace River is a real country by itself, rich in soil and natural resources, in mines and in timber, and possessing also many other resources which hon. members who live in that part of the country are better able to enumerate than I can. Of all the places that I had the pleasure of passing through I can truly say that none seemed to me more fertile, if I except the Red river valley, than the Peace River district itself. To judge by the way the farmers there are going in for mixed farming, it is a real province of Quebec. But as the hon. member for Cariboo (Mr. Fraser) said a moment ago, though Providence has blessed that country with a fertile soil and great natural resources, what advantage can the people derive from their production when prices are so low? During my trip I noticed that eggs, for instance, were given to the village store for five cents a dozen in exchange for goods. Butter, when they could sell it at all, was sold at from six to ten cents a pound. They produce not only wheat but a large quantity of oats, but they could not sell their grain at a reasonable price last summer, and one of the reasons for the poor return to the farmer was the cost of transportation. If I am well informed, it cost from five to six cents a bushel to carry the grain from the Peace River district only as far as Edmonton. At that time oats was selling at 24 cents a bushel. When you deduct the cost of transportation and the cost of production, the farmers might just as well do as some of our labouring men do—declare a strike, and just produce for themselves. That reminds me, Mr. Speaker, of a little story that I heard when I was out there. I was talking on this very subject of the prices of farm products when a farmer told me that just before I arrived all the hens of the district had met together and declared a strike. The rooster decided that with the prices being received for eggs it was useless for the hens to go to so much trouble to lay them, and so the hens decided not to lay any more. Perhaps, when he speaks again, the hon. member for Peace River will tell us just what occurred. With the prices these farmers are receiving for their products they might just as well follow the decision reached by the hens.

It is a pity that any district with so many possibilities for future development, with such interest for the newcomer should be cut off from civilization simply because this government refuses to spend sufficient money to construct this outlet. I know the government consider this matter from the financial point of view; their purse is empty after having spent so much for the construction of the Hudson Bay railway which did not bring the desired results. They have been forced to cancel a contract already entered into for the expenditure of $50,000,000 to develop the Canadian National Railways terminal in Montreal. I know the government will say that they cannot spend money at this time but I think there should be at least a vote of sympathy. I do not think I need be a prophet to say what the government will decide to do. I am afraid they will vote against this resolution. As the hon. member for Cariboo said a moment ago, only thirty-nine members supported a similar resolution moved last year. At least the government should give a vote of sympathy to this resolution. They should admit that the principle of this resolution is sound, that an outlet should be built in the near future. I am afraid the building of such an outlet will not be in the hands of the present government, but the matter would be there for the next government to take into immediate consideration. Even though the government decide

that this thing is impossible at the present time, they should look to the future. An administration should not build just for the present, it should build for the future. The future of the Peace River valley is one which should not be overlooked or discarded by an inconsiderate vote. I should like to see this resolution pass unanimously so that when the time comes when the government feels that this outlet can be built, the construction will be started immediately to enable the development of the natural resources of this district. The citizens of this particular section should be afforded the opportunities to which all citizens are entitled, no matter where they live or what may be their race, religion or party.

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, first of all, I want to congratulate the hon. member for Peace River (Mr. Kennedy) upon introducing this resolution once more. Even before I came to this house I was a supporter of the building of an outlet from the Peace river. I desire also to congratulate the hon. member for Cariboo (Mr. Fraser) who has introduced a new light into this discussion. I hope more hon. members from the east will follow the lead of the hon. member for Laprairie-Napierville (Mr. Dupuis) and make a trip into this country. Once they do that I think they will take a different view of the whole matter. It is not my intention to take up much time; I desire only to go on record as being in favour of the building of this outlet just as soon as finances will permit. I appreciate the fact that it is not likely the government will attempt to put through a vote to build the Peace River outlet this year, but they should give the matter sympathetic consideration. It should be put on the agenda so that at some time in the future either they or their successors will construct the promised outlet to the Pacific coast.

The hon. member for Cariboo referred to gold. The Pacific Great Eastern Railway runs through his and my ridings, and I can confirm every statement he made in this regard. This railway made an operating profit in 1933. It has been referred to as a white elephant, but that term is now out of date. With the help of the miners, I think it is going to get itself out of its difficulty. In the Bridge River district two new mines were opened during 1933 and I think I am safe in prophesying that there will be three or four, and perhaps five new mines opened up during this and next year. They have not even started in that district, and the same applies to Quesnel, near where my hon. friend lives, where they have hardly scratched the surface.

The hon. member for Laprairie-Napierville referred to the fertility of this district. It might be interesting to the house to know that in British Columbia there are more fertile acres than in the whole of Japan. In addition we have unlimited natural resources such as gold, silver, copper and timber. The largest copper mine under the British flag is in my riding. In addition, there is the wonderful climate. We ask those from eastern Canada to give us support in this move. I ask the Minister of Railways (Mr. Manion) not to turn down this resolution but to give a promise that this outlet will be built just as soon as we are out of the woods financially.

Mr. OLOF HANSON (Skeena): In rising to support this motion, Mr. Speaker, as I have supported similar resolutions ever since I have been in this house and long before I came here, I wish to associate myself with what the hon. member for Cariboo (Mr. Fraser) said with regard to the resources of the Peace River country. I was one of the first to go into the Peace River country; there were very few settlers when I was there in 1905. I saw the possibilities then, and since that time, with railway facilities promised by all political parties in Canada, settlers have been pouring in. The hon. member for Cariboo has ably described the development that has taken place. I shall not take up any further time in adding to what has been said already; I simply wish to associate myself with the resolution.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I intend to make only a few remarks on the resolution now before the house, which reads:

> That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

I think this is an important resolution; it was before the house last year and we have it up for consideration again this year. Last year the hon. member for Peace River (Mr. Kennedy) received a certain amount of support, but that support was not very strong or very encouraging. The fact that the resolution is introduced again this year proves that the hon. member has a good deal of courage, of persistence and of fidelity to duty, and any member of parliament who does not possess these qualities would be better off back home or doing something else. It seems to be the experience of many members of the house that though we debate a matter for years, though a question may be brought up

in parliament many times, no matter what government is in power action is delayed. I congratulate the hon. member for Peace River on bringing in this resolution once more, and I also congratulate those who supported the resolution last year. I do not know how many will support it this year. I hope it will be supported by a good many hon. members, and I hope that many hon. gentlemen to the right of the Speaker will lend their support also.

May I say also, Mr. Speaker, that I really do not think hon. members should be afraid to rise in their seats and support a resolution of this kind, because it has a direct connection with their own pledges which were given in 1930. All these pledges have been read to the house time and again, but there is no reason why they should not be brought up every day of every session until there is an election, because it only brings hon. gentlemen opposite face to face with what they said they would do or would honourably try to do not only for the Peace River country but for other parts of northern Canada as well. I find, Mr. Speaker, in the pledge presented to Canada in 1930 by the Conservative party, when they appealed to the country and won the day on the ballots cast in the election, the promise to improve the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the pledge to construct also such branches as might be necessary to render that route most readily available to every part of Canada. In that same pledge they promised to build a Peace River outlet to the coast.

So we have a pledge dealing with this Peace River outlet, with the Hudson Bay railway and with branch line development in northern Saskatchewan, in order to make those areas more productive and more settled. But no action was taken by the government following the debate last year; no action has been taken, despite its pledge and the statements that were made in the house a year ago when this resolution was being considered. It would appear that the main reason for this lack of action is the general railway situation in Canada. No doubt the government will repeat the statement that the railway situation is not hopeful, that the tonnage is not large, that the railways are going behind, and that trade is not heavy enough to warrant any future construction of rail facilities. We find the government taking cover behind this general statement of rail policy, with the result that during the past twelve months nothing has been done by way of rail extension.

May I submit, Mr. Speaker, that apart from the mineral, timber, water power and other resources of that huge area, we must not forget the human element, which is perhaps of the greatest importance. There are thousands of settlers in that area who have come from different parts of Canada, and of course if they lack rail facilities they lack any connection worth speaking of with the outside world. In my opinion the government ought to do something to alleviate the distress of those settlers, and that is why I have risen this afternoon to say a word in connection with this resolution, as I did last year. I was one of the thirty-nine who supported the resolution then introduced, and I am quite ready to support it again.

After all, the constituency of North Battleford which I represent in this house is in very much the same position as the Peace River district. I think perhaps the railway problem in this constituency, upon which I have touched time and again in this house, is just as acute as the problem of the Peace River outlet, if not more so. In 1930 hon. members opposite made the pledge that if their party came into power there would be railway development carried on in northern Saskatchewan, northern Manitoba and northern Alberta. The government have been in power for four years now, but there has been no railway construction undertaken and no branch lines built. As a consequence men and women who have trekked from southern Alberta, southern Saskatchewan and southern Manitoba into the upper part of northwestern Saskatchewan are to-day without adequate transportation facilities. They are in the north hewing out homes for themselves, keeping off relief, trying to raise families and to do their duty by the state, and looking for rail development which has not come. Personally I think if anything at all can be done to help these people, it ought to be done.

The problem in North Battleford riding is a part of the Peace River problem; there is no doubt about that. When I touched upon that problem in the house in my speech on the address in reply to the speech from the throne, I referred merely to a petition numbering 500 names, from the North Battleford constituency. The Prime Minister (Mr. Bennett) was in his seat that day and apparently he thought I was going to read the 500 names. I had not any such intention; I wanted merely to read the preamble of the petition and to refer to its importance, when the Prime Minister rose and objected to a member reading a petition. It was not the kind of petition he thought it was; apparently he jumped to the

conclusion that it was a petition to the House of Commons. It was not a petition to the House of Commons; the Minister of Railways (Mr. Manion) if I remember correctly, has a copy of it, as I have, and it was quite legitimate for me to mention the petition before the hon. members of this chamber and, if necessary, to read parts of it without any objection coming from the Prime Minister or any supporter of the government or of the party opposite. I was prevented, however, by a humbug argument, as it were, from referring to that petition, and that is why I think the matter should not be entirely dropped and why I take advantage of the present opportunity not only to say something in favour of the resolution, but also to deal with a counterpart of it concerning the "Northland" in northern Saskatchewan.

The Minister of Railways on a later occasion answered a question with regard to more railway accommodation in the northern part of the constituency of North Battleford by making a statement which will be found at page 643 of Hansard of February 16. I believe it is the kind of general statement which the Minister of Railways usually makes to a question of this kind. I do not know whether he can make any other answer or not. Perhaps he is in earnest and really cannot make any other answer, and if so we shall have to abide by that decision. But his answer was that I knew quite well the position of this railway north of the North Saskatchewan and in between North Battleford and Edmonton. I certainly know it quite well, but that is no reason I should not bring it up again in parliament to find out whether the government had any new policy on it. My reason for bringing it up was to discover whether the government or the Department of Railways had during the summer formulated any new policy with regard to the construction of that line, and I was quite sincere in the question I asked at that time. The minister went on to say that he had written me because I had brought the matter up time and again in the house and had also written him time and again about it. That was quite right. Then he went on further to say:

> He knows that the matter has to be submitted to the management of the railway, and when the management are deciding to recommend to the government and parliament the building of branch lines the railway he is supporting will be given consideration along with others.

That is tantamount to an admission that this branch line railway connecting the country north of the North Saskatchewan river and between North Battleford and Edmonton will not be built until there is a general program of branch line building throughout the dominion. I do not think that is fair; I believe there is such a thing as making a special case of a particular railway problem, and I believe this is just as much a particular railway problem as is the Peace River outlet.

Mr. MANION: Which of them is the hon. member supporting at the moment?

Mr. McINTOSH: I am supporting both of them. I believe the Peace River outlet is a particular problem and ought to be given special attention, and perhaps if it were, something might be done. The unfinished part of what is practically equal to a main line between North Battleford and Edmonton, north of the North Saskatchewan river, is also a particular railway problem and ought to be given special attention.

May I say again that although seventy miles of that railway line has been graded, during the last four years not a tap of work has been done on it and the grading is falling to pieces. Although 10,000 settlers from southern Saskatchewan, southern Alberta, southern Manitoba, indeed, from all parts of western Canada and many from the east, have gone into that very productive area and have been trying to hew out homes for themselves, not a thing has been done in the last four years to finish the sixty-nine or seventy miles of road that could be completed without difficulty or much cost to the country. In 1930 we had relief camps in that part of northern Saskatchewan and with seven or eight experts in laying steel, all the government would have had to do would have been to hire a few of those men and there was enough labour there to have those seventy miles steeled, yet it was not done. The steel that could have been used to complete that line has, I understand, been taken out of that district entirely; the ties are there, rotting by the wayside, and the grading is falling to pieces; yet 10,000 settlers are calling out for railway relief and for four years a policy of vacillation has been pursued with nothing accomplished. That is not fair; it is not playing the game; it is not doing what could be done, because that road, when built, will return to the exchequer of Canada every cent that is required for the building of it. There is no question about that road being a paying one. Not a single official of the Canadian National Railways can produce in the House of Commons facts to prove that any line of railways that has been built in northern Saskatchewan has not been a paying road during normal years. Those branch lines have also helped to make a paying proposition of the

main line of the Canadian National between Winnipeg, Saskatoon, North Battleford and Edmonton. There is no argument that the road would not be a paying one. Not only have we seventy miles of grade ready for the steel —and it will not be in that condition very much longer if it is allowed to remain as it is for many more years; in fact, a great deal of work will have to be done on it now to put the roadbed into proper shape—but about forty miles of that road have not been graded. I would like to see those forty miles graded and the seventy miles that are graded, steeled. When those jobs are done, we shall have railway facilities for the people in that part of northern Saskatchewan and they will be encouraged to go ahead and open up more fully that splendid, productive area out of which will come a great deal of trade. The best class of hogs and of cattle are raised there; there are lumber and timber, fish and fur, and further north there are mineral areas. All in all, the districts tributary to this road have a great future and the people who have settled in them could make that future still brighter if they had the necessary railway accommodation.

In conclusion, may I say that I believe we have been told in the house time and again by the Minister of Labour (Mr. Gordon), who is also Acting Minister of Immigration, and other members of the cabinet, that the government has a wonderful back to the land policy. They want the people to go back to the land. Where were the people to go in western Canada but largely into these northern areas? Much of the land there had not been taken up, they took the government at its word, they went north, they have started their settlement duties, they have a prodigious job on their hands, and the least the government can do would be to come to the rescue of those who have taken them at their word with regard to this land policy and have settled in these northern areas, and who must have railway accommodation if they are to make the best of life in that part of Canada. So I hope many hon. members will give this resolution their support; and that the government will find it possible in the coming months to take some of the money that they propose to make use of perhaps in building public works, and apply it to railway construction in northern Alberta and northern Saskatchewan. I think it would be the worst kind of folly for the government of the day to spend fifty or a hundred million dollars in building bridges and roads and public works all over Canada where many of them would not need to be built and have in the northern parts of western Canada thousands of settlers crying out for railway relief and nothing be done in the way of railway construction. I would say that the construction of branch line facilities opening up these new areas is the question of the hour, and if any money is to be spent on public works during the summer months it should be spent on railway construction.

Mr. A. U. G. BURY (East Edmonton): I do not intend, Mr. Speaker, to trespass on the time of the house to any extent. The hon. member for Peace River (Mr. Kennedy) was very properly congratulated by previous speakers on his courage and persistence in bringing this question of the Peace River outlet year after year to the attention of the government and of the house. I trust that some time or other, and we hope in the not too distant future, he will reap the reward of his persistence and realize the hopes which he has expressed in this house.

The hon. member for North Battleford (Mr. McIntosh) rising to support the motion gave an excellent exhibition of the way in which a man can make one point for the motion and two points for something else; one point for the problem of the Peace River outlet, and two points for the railway problems of his own constituency. Were I to follow the same line and take my hon. friend as a precedent for what I do I should occupy the time of the chamber in dealing with problems relating to my own constituency. I purpose, however, to confine myself entirely to the motion of the hon. member for Peace River. May I say in that connection, however, that it is very wonderful the way in which the memories of some hon. gentlemen operate. They are so keen and so quick to perceive and recall pledges that were given by their political opponents and so absolutely oblivious of the equally strong and clear and emphatic pledges which were given by their own leader and members of their own party.

Mr. MACKENZIE (Vancouver): That is not correct. I said all the pledges given by the leaders of all the parties.

Mr. BURY: I said some members, I did not say all the members of the opposition. My hon. friend has not yet attained that position of preeminence in his party that when I speak of some members of the Liberal party or the opposition he must necessarily be referred to.

They are so quick to see the mote in their neighbour's eye notwithstanding the disadvantage of the lumber yards that occupy their

own. I have supported the proposal of the Peace River outlet from my first connection with this house in 1926. I also supported it in 1932, and in refreshing my memory on the debate of that year I found such an excellent speech delivered by myself at that time that I was very strongly tempted to bring Hansard to the house and read the same speech on this occasion. I do not kuow whether the rules of the house would permit that or not, but I find it very difficult to amplify to any great extent what I then said.

The people of the Peace River are entitled to this concession; entitled to it for a great many reasons. One reason is the size and wealth of the area which they occupy, in veritable truth a new empire in the north. They are entitled to it by reason of the rapid growth of the population of that district and the very considerable numbers to which that population has now grown. They are entitled to it above all by reason of the unambiguous and unequivocal pledges that have been made by both parties in this house, the right hon. leader of the opposition having taken the Peace River outlet as the spearhead, whatever that means, of his policy; so fine a spearhead that when you come to see what has been done you cannot find it at all. It is like a point in Euclid—has no parts and no magnitude. We have been twitted with the fact that since this government came into power nothing has been done in the direction of a Peace River outlet. Of course everyone knows the conditions through which the country has been going and the financial and economic stress and strain and burden that has been imposed upon the government, rendering it absolutely impossible for any government, however strong its wish might be, to implement so important a promise as the construction of a Peace River outlet. But nothing is said by hon. gentlemen opposite of the years of office of the right hon. leader of the opposition when, notwithstanding his unequivocal promise, absolutely no step in this direction was taken.

It has now been suggested that we should rather encourage a rival policy to the Peace River outlet in the construction of branch lines feeding the country and connecting the outlying districts with the existing Alberta railway. I cannot say that I agree to that. I think our settlement policy was wrong from the beginning. I think the settlement policy of this country should have been as far as possible to confine settlement to the immediate neighbourhood of the railways or where railways were projected and intended to be constructed. That policy, however, was not pursued. I understand it is one of the major principles of the settlement policy of the present Alberta government, that the principle to be followed by that government is to circumscribe settlement so far as possible and keep it from going too far away from existing or projected railway lines. That is a policy that should have been instituted and rigorously observed from the very commencement. But now we have to deal with an accomplished fact, a condition that has come into existence, and it is impossible to wait for an outlet until connecting branches of railway have ramified into the far distant parts of that great territory. Moreover if any settlement is to be encouraged it can only be by making it profitable, and it can only be made profitable by providing an outlet to the Pacific coast. Where that outlet shall come is a matter entirely for engineers, I am not going to deal with that question. I wish merely to say that my whole and hearty support is given to the motion of the hon. member for Peace River, though I am quite aware and keenly alive to the present financial and economic conditions in Canada, and the other great burdens resting upon the government. I very much feel on that account that any action which can be taken certainly could not be taken this year.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, for an hour and a half I have listened to a very interesting debate on the question of a railway to connect the Peace River section with the Pacific ocean. At once I should like to congratulate the hon. member for Peace River (Mr. Kennedy) and the hon. member for Cariboo (Mr. Fraser) both of whom are directly interested in this question, on the consistence and persistence with which they have brought it before the house during many years past. The other day I made it my business to check up on the number of speeches made by the hon. member for Peace River in regard to this matter, and I find that from the years 1922 to 1934, inclusive, he has made at least one speech a year. This, therefore, is his thirteenth annual pilgrimage to the shrine, and I hope it will meet at least with as good luck as did the others. The number thirteen is supposed to be unlucky, but on this occasion I hope we shall be as generous in our promises as we have been in other years.

I might express a further opinion, sir, that the addresses delivered this afternoon from all sides of the house and all sections of the country have been, with one exception—and

it was not a very great exception—absolutely moderate and non-political. The exception I fear I shall have to point out was that of the hon. member for North Battleford (Mr. McIntosh)—

Mr. McINTOSH: I thought that was coming.

Mr. MANION: —who finds it difficult to get away from politics at any time, even on an occasion like this, when two-thirds of his time was used in speaking for his own constituency, and one-third for the Peace River outlet. He permitted himself to get into the political field rather extensively.

Mr. McINTOSH: Killing two birds with one stone is pretty good work, isn't it?

Mr. MANION: Attempting to kill a number of birds with one stone was what the hon. member was trying to do. The hon. members for Peace River and Vancouver Centre have pointed out that in the past all parties have promised some relief to this new land or last empire of northwestern Canada. On a number of occasions the hon. member for Vancouver Centre (Mr. Mackenzie) stated that this is an obligation of honour upon both parties, and in his statement I think there is a good deal of truth. After all, however, it must not be forgotten that during the last four years conditions in this country have been of such a character, due to general world conditions, as to bring us to the realization that circumstances alter cases and, therefore, may sometimes be permitted even to alter promises. While it is true that in that northwestern section of our country my right hon. leader made promises—at least, it is so stated, and I have not found anything to justify a contradiction—I must draw to the attention of the house the fact that conditions have been such that I doubt if any government would have been justified, heretofore, in spending money upon the construction of the road.

I was particularly interested in the speech of the hon. member for Cariboo. I am not saying this simply because he spoke from this side of the house, because it is a fact that members from all quarters of the house have supported the project. But the hon. member did bring into the picture a number of very interesting new points, and described vividly and in most interesting fashion the north country of British Columbia, leaving the description of northern Alberta to the hon. member for Peace River. In my view the hon. member for Cariboo delivered a most inspiring address, from the standpoint of that section of the country, in support of the resolution of the hon. member for Peace River. The hon. member for Laprairie-Napierville (Mr. Dupuis) did what so many hon. members from Quebec do to inspire the rest of us—although, not always with success—when he delivered in English an excellent speech in support of the resolution. He did say in his remarks that he did not suppose we would give even sympathetic consideration to the resolution. Well, I shall at once dispose of that by saying that the hon. member for Peace River has always had my sympathy, coming as I do from a section of Canada sparsely provided with railways and, like the Peace River country, in proportion to area not well supplied with population. I feel that I am particularly qualified to sympathize with the hon. member in his desire to have these 40,000 people served by a railway.

Of course in a country of such vast proportions as Canada railways are very necessary. The fact remains however that the money required to build them reaches such large amounts that even a few miles of railway constructed through a section of the country such as would have to be traversed in building this outlet runs into huge sums of money. The various estimates as to the cost of building the outlet run all the way from $13,000,000 to $80,000,000, according to the number of branch lines constructed. Various investigations have been made into the proposal now before us. References have been made to some of them this afternoon. Four routes have been mentioned as possible methods of getting out of the Peace River territory into other parts of Canada. One, which was more or less generally condemned by at least two or three hon. members, was the so-called Aggie-Obed route, where there would be a back haul of some considerable distance. But the routings which were recommended in some of the earlier investigations made by the Canadian National Railways—although I do not think the Aggie-Obed route was supported in the earlier investigations by the Canadian Pacific Railway—were the Monkman pass route, the Pine pass route and the Peace pass route. The latter, I believe, is the one which has received the greatest amount of support from hon. members this afternoon. In connection with that outlet it is only fair to say that the late Sir Henry Thornton and Mr. Beatty discussed the matter with me on various occasions. They took the attitude that now would not be an appropriate time to spend a large sum of money upon this project, because—at least some of them took this attitude—it would take at least ten times the

traffic now offering in that district to enable the road to pay its way. That was the summing up of their correspondence with me, and also the summing up of some of the reports made in regard to the project.

Four different reports have been made. The last one was in 1932, when a committee of engineers was appointed partly, if not altogether, at the request of myself. The commission was composed of Mr. Gzowski, of the Canadian National Railways, Mr. Fairbairn, of the Canadian Pacific Railway and Mr. Crysdale, as the third man, not appointed by the province of British Columbia, but whose appointment was agreed to by that province. Although the commissioners did not visit the section in connection with the making of the report, all had previously visited the section, on various occasions and were familiar with the problem. Their report was tabled in this House of Commons and on a number of occasions has been referred to in debate. These gentlemen took the attitude that they could not make a recommendation. While their findings have already been placed on record, although not in this debate, for the sake of the present record perhaps I might be permitted to read a brief synopsis of their report. They say:

> At the time the 1925 report was made, local interests were mainly concerned in obtaining a western outlet to cheapen their freight cost to the Pacific, and supply further railway mileage in the district. Since that time, a reduction of freight rates has been accorded them, now substantially equalling rates which would obtain if a western outlet were in use.

Further on they say:

> In view of the above, our conclusions are:
> 1. No western outlet is justified for the present, as the existing railway furnishes the most economical route. It will take many times the present traffic to justify another railway outlet.
> 2. The Obed route for a western outlet is the most favourable from a railway economic standpoint, considering the present phase of the railway situation.
> 3. We recommend that the matter of a final route be decided when the question is a practical one, believing that by the time the volume of traffic has reached a point where a western outlet is justified, general and possible local conditions may have materially changed. When the decision is imperative, the whole situation should be reviewed, in order to appraise all the contributing factors, including the potential traffic which may accrue from the lands beyond the definite areas included in this report.

That in brief was the report of the Crysdale committee, if I may term it such, signed by J. M. R. Fairbairn, chief engineer of the Canadian Pacific; C. S. Gzowski, chief engineer of construction, Canadian National Railways, and C. R. Crysdale, consulting engineer. I am quoting it from the unrevised Hansard of March 14, 1932, when I put it on Hansard during the discussion that then took place.

After that report was made public both Sir Henry Thornton and Mr. Beatty informed me that they agreed with it. They took the attitude, as has been taken by others, that what was needed more than a direct outlet was more branch lines in that territory. In that regard I have noticed that Mr. Brownlee, the premier of Alberta, appearing not very long ago before the royal commission on transportation, generally known as the Duff commission, which was investigating the whole railway problem of this country, gave some opinions which I think it is well to put on Hansard, Mr. Brownlee being a particularly able statesman and a man who does speak to a large extent for a considerable portion of the province of Alberta. He is quoted as follows:

> All I will say is this: So far as our provincial government is concerned we would not say that there is such a necessity for that outlet—

He was speaking of the Peace River outlet:

> —that in a time of financial difficulty the matter should become an urgent one. We do believe that what is far more urgent is that there should be a moderate expansion of branch lines in order that the railways may secure the full benefit of the potential development that is there and the settlement that has gone in. Settlement has gone into the Peace River country to a very large extent in districts fifty or sixty miles from any railway, and as a provincial government we urge very strongly that the small expenditure necessary to provide branch lines to enable those who have gone in to develop their holdings and to make a contribution will be far wiser at the moment than any coast outlet.

He also referred to a telegram from Grande Prairie to the Duff commission with reference to this outlet, and said:

> I have not read it, but I assume you will find that that telegram differs somewhat from the opinion that we have expressed. We have not so far been able to bring ourselves in line with the views either of the people of Vancouver or of the people immediately at Grande Prairie that the expenditure on another line of railway through to the Pacific coast, so far as this province is concerned, is a necessity. It may be that the development in the northern part of British Columbia would seem to justify a line of that kind, but we would certainly emphasize strongly that what we conceive to be the needs of the Peace River country will best be served by branch lines rather than by such an extension.

I quote that merely to show that there is a difference of opinion in regard to the matter, and for that reason I cannot help but feel that it is a little difficult for a government to promise immediately, under present financial conditions, to undertake such a task as the building of a road from the Peace River territory whether by one route or the other, at a cost of from ten to perhaps fifty million dollars. The two great transcontinental railways still take the attitude that they cannot afford to make any heavy capital expenditures, nor can they permit themselves, they still submit, to go into any branch line construction. They are quite willing—naturally they would have no objection—that the dominion government itself, if it wishes, as a government should construct this line, whether by the Peace pass outlet or any other. By the way, on the last occasion on which I discussed this question with the two then heads of the Canadian Pacific and the Canadian National, they both did favour the Peace pass route along the Peace river and then cutting down to join with the Pacific Great Eastern which, as has been pointed out here this afternoon, last year made a profit on operating for the first time in many years. But they do not admit that they would agree to making the railways in any way responsible for the expenditure of one dollar to make that connection. Therefore, if anything were done, it would be entirely a problem to be faced by the government and the people of Canada at this time and perhaps for some time to come.

It is worth remembering that during the years that have gone the railway rates from the Peace River area, both to Vancouver and to Fort William, have been lowered considerably. My hon. friend from Peace River (Mr. Kennedy) and my hon. friend from Cariboo (Mr. Fraser) know that very well, but as some others in the house may not know the facts I shall place the rates on Hansard in order to keep the record full enough so that the question may be fairly well understood:

Rate on Grain from Grande Prairie to Fort William
(Per 100 pounds)

	Cents
1921	63½
1922	45
1924	43
1925	35½

In other words, the rate in 1925 and since that time has been a little over one-half the rate existing in 1921. Here are the rates from Grande Prairie to Vancouver for the same quantity of wheat:

Rate on Grain from Grande Prairie to Vancouver
(Per 100 pounds)

	Cents
1921	58½
1922	45
1923	43
1924	39½
1925	28

In other words, the rate in 1925 was considerably less than half the rate in existence in 1921. The rates which I have just given, namely, 35½ cents per 100 pounds from Grande Prairie to Fort William, and 28 cents per 100 pounds from Grande Prairie to Vancouver for 1925 are still the rates in existence between those points.

Mr. HANSON (Skeena): Is the rate the same to Prince Rupert as to Vancouver?

Mr. MANION: I imagine it is.

Mr. KENNEDY (Peace River): Yes.

Mr. MANION: My hon. friend from Peace River confirms my own understanding.

Mr. STEWART (Edmonton): Has my hon. friend quoted the rate from Edmonton to the coast?

Mr. MANION: I have it here, having sent out during the debate to get it. I hoped that it would show that the rate from Edmonton to the coast was about the same, but I find that the rate from Edmonton to Vancouver at the present time is 20 cents as against the rate from Grande Prairie to Vancouver of 28 cents; and that the rate from Edmonton to Fort William is 26 cents, as against the rate from Grande Prairie to Fort William of 35½ cents. I have also here the rates per 100 pounds from Saskatoon to Vancouver and to Fort William, and I might as well give those. From Saskatoon to Vancouver the rate is 24 cents, as against the rate from Grande Prairie to Vancouver of 28 cents; and from Saskatoon to Fort William the rate is 22 cents, as against the rate from Grande Prairie to Fort William of 35½ cents.

So there is no doubt that the people of Grande Prairie and of the Peace River country generally are up against pretty heavy rates in the shipment of their products. Of course, we cannot forget that Canada in the past has built too many railways. We built three where two would have been ample. We have had so much duplication and unnecessary competition from coast to coast in

Canada that, as someone expressed it here this afternoon, the railway question is, as this house knows, the greatest problem without exception that Canada has to face at the present time. He would be a courageous man who would take the attitude that Canada has not too many railways, too many canals and too much duplication of various other kinds of facilities and utilities.

It must be admitted that world conditions in general and Canadian conditions in particular have been improving during the last few months. To my mind there is no doubt that conditions are on the upgrade. It is my belief that within a few short years, perhaps in one or two, conditions will be back practically to normal. But at the moment I should not like to take it upon myself to say that conditions have approached so nearly to normal that as a member of this government I could promise to start forthwith the building of this railway.

I took a briefer part in the debate last year than I have done to-day. At that time I was perhaps more frank than polite in replying to my hon. friend; I told him that we could not give this matter any consideration. I did not mean that as a short answer, although, and perhaps quite rightly, my hon. friend was annoyed. I thought it better to say just what I thought on the matter, that it was beyond the realm of possibility at the time. I believe that conditions to-day have improved so much that, without promising immediate construction or anything of that sort, I can promise that the matter will be given fair and honest consideration.

During the past few months both the Canadian National and the Canadian Pacific Railway have been able to show better earnings than they have shown for some time. From about 1928 the returns for these railways started to go down and down until we began to think there was no bottom to the pit into which they seemed to be descending. But six months ago, for the first time in two or three years, railway earnings started to increase; that is, the earnings for each week of this year began to show an improvement over the earnings of the corresponding week last year. This improvement has continued for almost six months without interruption, and this in spite of the fact that our grain has not been selling very well throughout the world during the past year. Our wheat sales have not been such as to satisfy most of us, whether from the west or from the east. The earnings of the Canadian National Railways for the month of January and the first three weeks of February show an increase of something over $3,000,000 compared with the corresponding seven weeks of the previous year. I am sure that all members, from whatever portion of the country they may come or to whatever party they belong, will be pleased to know that our railway situation has somewhat improved. Whether we or some other party is in power, the fact remains that the people of Canada have been placed in the unfortunate position of having to pay the deficits on that great system. In the past these deficits have amounted to huge sums and I am very happy to be able to state to the house and to the country that the railway situation appears to be steadily improving.

Last year the hon. member moved a motion similar to the one he now moves, and it was voted down. In 1932 the hon. member moved a motion which was slightly different in its terms. His motion of 1932 read as follows:

> That, in the opinion of this house, in the best interests of Canada, it is desirable that the construction of the Peace River outlet should be commenced at the earliest possible date.

I believe I am correct in stating that the resolutions of this and last year are the same.

Mr. KENNEDY (Peace River): Yes.

Mr. MANION: The hon. gentleman confirms that statement. His resolution this year reads:

> That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

I intend to move in amendment, seconded by the Solicitor General (Mr. Dupré) that three words be added to this resolution. There may be some question as to whether they alter the meaning, but I think they would make the resolution more acceptable to myself, to the members of the government and to hon. members on this side. I hope my hon. friend will accept this amendment and that the house will give it unanimous support. My amendment is:

> That the resolution be amended by adding the following words: "when circumstances permit."

The resolution will then read:

> That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast when circumstances permit.

This amendment is not moved with any desire of blocking the resolution, but rather to call attention to the necessities of the present financial situation. May I point out that a resolution which was voted down last year by a vote of 133 to 39, I believe it was,

is not in a much better position to be accepted by the house this year. The opposition last year came from all sections of the house just as did the support, in lesser degree. I have the greatest sympathy for the hon. member for Peace River and I desire to give some encouragement to him and to the hon. member for Cariboo (Mr. Fraser). I suggest therefore that the hon. gentleman accept the amendment on the understanding that it means exactly what it says; that when circumstances permit, which we trust will be in the very near future, every consideration will be given this project.

Mr. McINTOSH: Is the minister's conclusion with regard to the Peace River outlet the same as his conclusion with regard to all branch line facilities?

Mr. MANION: I have no desire to enter into a discussion of my hon. friend's project. If the hon. gentleman will ask me again on some suitable occasion, I will answer him. I do not think we should muddy the waters, so to speak, by drawing the Saskatchewan river into the Peace.

Mr. MACKENZIE (Vancouver): Peace at any price.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I think I should reply to one or two of the arguments which have been put forward and also indicate my position with regard to the amendment. During the course of the debate it was stated that we should forget all about wheat. I believe that the best type of railway is one near to agricultural, mining and lumbering activities.

Mr. FRASER (Cariboo): Was my hon. friend referring to me?

Mr. KENNEDY (Peace River): No, I think it was some other hon. member. I should like to remind the house that the Peace River district is likely to be producing wheat even at a time when great difficulty might face other wheat producing parts of the world. Herman Trelle won the prize at Chicago three years in succession. His exhibit was such that a special order was passed preventing him from exhibiting for a period of three years. He was classed as a super-crop man and was not permitted to exhibit for three years as other exhibitors were becoming discouraged when they were forced to exhibit against him. It would seem, therefore, that we will be producing wheat just as long as the world requires that commodity. But I realize how much stronger our case is when we produce other commodities, and this argument applies more particularly to that section of British Columbia referred to by the hon. member for Cariboo. When the minister says that certain steps will be taken as soon as circumstances permit, I am not quite willing to accept that on the basis laid down by the engineers. In all their reports they make the point that until the present lines pay and leave enough over and above to make this outlet pay, the road will not be built. There never was a railway built in Canada on that basis and I do not think we should be asked to comply with such conditions, in order to justify our request for a railway, which never had to be complied by any pioneering settlement in any part of Canada. In 1927, notwithstanding the discouraging report of the engineers, the northern Alberta railways actually paid their operating expenses and had enough money left to pay their fixed charges of about $800,000. Yet that was the year in which they brought down this report which said there was no hope, even with the freight rate of 39 cents—and it was on the 30 cent basis that this surplus was acquired—of the lines paying even operating expenses with the immediate traffic or with many times the immediate traffic.

Something was made of the statement by Mr. Brownlee, and I have this to say to the minister: I am not asking for a vote of $13,000,000 or $10,000,000 this year or next year, but there are at least 300 miles of line in that country that will be either part of the main line or branch lines and that will serve settlements now actually in existence. So there is no real conflict at all between the man who says we need branch lines and the man who says we should build the outlet. I do not think I need elaborate that point; in the one case, if you construct this 300 miles of road and take the Peace pass route, it will be part of the main line serving the settlements, but if any other line is built it will be a branch line that will be necessary in any event.

I am disposed, Mr. Speaker, to accept the amendment, always remembering that we can discuss the matter again, and also in view of the financial situation of the country, but I do submit that if we are going to undertake a program of public works in this country certainly we ought to consider whether or not some portion of that money should be spent in the development of a line that will be part of any Peace River outlet that is built. So, Mr. Speaker, while the motion and the amendment are in the hands of the house, I am disposed to accept the motion as amended if

the other hon. members are willing to do so; if they are not of course I shall have to vote for the motion.

Amendment agreed to.

Motion as amended agreed to.

CANADIAN NATIONAL RAILWAYS

PROPOSED CONSIDERATION OF CAPITAL STRUCTURE BY BOARD OF TRUSTEES

Mr. A. E. MUNN (Vancouver North) moved:

Whereas, the attention of this house has been drawn by the Royal Commission to inquire into railways and transportation in Canada to the urgent necessity which exists for an early consideration of the capital structure of the Canadian railways (vide section 84-87 of that report), and

Whereas, that commission recognized that a very substantial part of the money invested in the railways comprised within the Canadian National System must be regarded as lost and that its capital liabilities should be heavily written down although the said royal commission did not deem the time opportune when making the said royal report to deal with this important matter but suggested that the same receive early consideration by the board of trustees, and

Whereas, a board of trustees has been appointed by the government:

Therefore be it resolved, that, in the opinion of this house, it is of vital importance that the attention of the board of trustees of the Canadian National Railways be directed to this matter and that this house deems it highly desirable that the said board of trustees shall consider this question and report thereon with the least possible delay as being of vital and primary importance in the interests of all concerned.

He said: Mr. Speaker, it is not my intention to take up very much of the time of the house; the resolution speaks for itself. This is purely a matter of business and has nothing to do with politics. As hon. gentlemen have said already this afternoon, this railway situation is one of our big problems. Now we have a new board of directors, and when you, Mr. Speaker, or any other business man, put a board of directors in charge of that business your ambition is to see that they make it pay. If the new trustees are business men, as I think they are, in my opinion they would want this capital structure remoulded. A great deal of money has been lost, and it is not fair to ask this new board of directors to make provision for that money. It must be written off some time, and while perhaps it should have been done before this, in my opinion there is no excuse for further delay. I realize that this is a huge undertaking; we will be told that there are so many subsidiary companies that it is not possible to carry out this

suggestion, but this is a practical proposition, and in my opinion this resolution should be accepted by the government.

This resolution has as its object the early stabilization of what may be properly called one of the most important public utilities in Canada, the Canadian National Railways, in which we are all interested because it is owned by the government of Canada. It is not my intention to dwell on how, when or why we became possessed of this great system of transportation; we now own it and, in my humble opinion, should control it and show an interest in its welfare, and in my judgment the first step in proper and intelligent control is to reduce the capitalization as soon as possible to its true present-day value. Such a step as is proposed in the resolution is essential if we are to expect that considerable measure of relief for the taxpayers of Canada to which the Duff report refers. I should like to refer to section 86, which is found at page 30 of that report:

It has been suggested that in view of the excessive capital liabilities in relation to the earning power of the system they should be reduced to an amount which would more nearly approximate the earning power of the railway. The net operating income (i.e., the amount available for interest and dividends) of the Canadian National System for the period 1923 to 1931 inclusive averaged $24,414,447 per annum. This figure would require adjustment if adequate provision were made for depreciation.

It is obvious that on this basis of earnings the capital liabilities would require a very drastic writing down. And while this commission is of opinion that it must be frankly recognized that a very substantial part of the money invested in the railways comprised within the Canadian National System must be regarded as lost and that its capital liabilities should be heavily written down, they do not consider that the time is opportune to deal with this important matter.

That was their opinion at the time this report was made, but they go on in the next section, 87;

This question as well as that previously referred to, dealing with the present involved financial structure of the Canadian National System, should, in the opinion of the commission, have the early attention of the board of trustees, which it is recommended should be entrusted with the control and management of the System.

That the problem is a great one, there can be no two opinions, and it is worthy of serious consideration. I would remind the house that the demands of the Canadian National Railways upon the federal treasury have been an important factor in disastrously impairing international credits, so much so that there is

difficulty in securing immediate relief in an acute situation through fresh borrowings from Great Britain and the United States. I would refer hon. members to the report, paragraph XII, page 31 in regard to this matter. This situation, so graphically described by the commission, is in itself sufficient justification for our beginning at once a wise stock taking.

But there are other reasons. It is a well known fact that the demands of the Canadian National Railways upon the federal treasury have created a financial problem which have been the cause of an increase in taxation.

The resolution, in my opinion, is a step in the right direction and will permit of a better solution of present difficulties. By way of further justification of the resolution I would again refer to the report, for it clearly indicates "the excessive capital liabilities in relation to the earning power of the system should be to an amount which would nearly approximate the earning power of the railway."

Without labouring the question by quoting facts and figures, I would direct the attention of hon. members to paragraphs VIII, IX and X, pages 27 to 30 of the report, wherein will be found facts the seriousness of which will convince the reader that now is the opportune time to direct the attention of the board of trustees to the fact that now is not too soon to take stock and put into operation a rigid course of assessment by revaluation of what, in my humble opinion, is a national asset which, if properly and judiciously managed, may become of infinite worth to the people of this far-flung dominion. To the members of this house as representatives of the people, as custodians of the system, in fairness to all concerned, the board of trustees, the bondholders and employees, but above all to the people as taxpayers and owners, this resolution is submitted in the hope that it may receive favourable consideration.

I do not know just what attitude the government intends taking in connection with this matter. As I said before, it is purely a business proposition and not by any means a political move, and some action should be taken in the very near future. I move the adoption of the resolution.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, with the general principle of revising the capitalization of the Canadian National Railways I am in complete accord and have been from the time the railways were absorbed by the Canadian people and consolidated into the national system. But the basis upon which the majority of the advocates of recapitalization base their argument is fair neither to the Canadian people nor to the railway system of this country. As a rule the argument advanced—and I was not quite able to follow my hon. friend in the plan that he would suggest—is that the capitalization of all the railways as they stand to-day is attributable to the moneys that were spent on them before the Canadian people became the actual owners and operators of them. It is with that view that I entirely disagree. I maintain and have maintained, as a matter of fact I urged at the time the bill to consolidate the railways was before the house in the first instance, that the capitalization as it then existed of all the several lines should have been written down to the place where the actual value of the lines as they stood at that time would represent the amount of capital on which we expected them to earn a return. But to take the capitalization as it is to-day after the Canadian people have been responsible for spending on that railway enormous sums of money from which no return can ever be expected, is not presenting to our people a fair picture of the railway situation.

It might be interesting again to put into the records of the house what the capitalization was when the railways were taken over. Beginning with the original government railway, the Intercolonial, as it stood in 1919 when the bill was passed, the capital charge was $137,000,000 odd. Having regard to the character of the line, its physical condition and equipment, this was a fair and reasonable valuation; anything that has been added since has been added by the deliberate action of the parliament of Canada and is properly applicable as a charge against the railway line, because the Canadian parliament has been and still is responsible for the manner in which the line has been operated.

We come next to the National Transcontinental which was built from Moncton to Winnipeg by the people of Canada themselves at a cost of around $173,000,000. Properly, that is itself a charge against the railways. But the money that was wasted by the people of Canada in the construction of that line is not a proper charge, and before I conclude I shall give the amount that should have been written off at the time in order that the Transcontinental in its physical condition would represent a proper ratio of capital charge in proportion to the value of the property.

The next is the Canadian Northern Railway, the 10,000 odd miles that were taken over in 1919 at a capital cost to Canada of

$386,000,000. The water, whatever there was in it, was squeezed out of the Canadian Northern, and no cheaper railroad mileage in its physical condition, no better asset from a railway standpoint, was ever produced in this country than the Canadian people secured in the Canadian Northern lines at a cost of $386,000,000 when they were taken over in 1919.

Then we come to the Grank Trunk. The capital charge and present liabilities of the National railways on account of the Grand Trunk Railway when it was taken over by arbitration was $216,000,000, making a total for these four sections of the national system of around $913,000,000. It is frequently stated that the people of Canada were loaded with a lot of deadwood obligations because of the Grand Trunk Railway. But what are the facts? The stockholders of the Grand Trunk, the English people who put their money into it, are the people out of whom that money was squeezed.

Mr. MUNN: May I ask the hon. member a question? Is he speaking in favour of the resolution or against it?

Mr. NICHOLSON: I am speaking in favour of the resolution. I am speaking in favour of having the capitalization of these roads fixed, and fixed on a proper basis, so that the people will know exactly what the roads cost them, and why, and what the roads must earn if they are to compete on a proper basis with other railways. As I have said, the Grand Trunk, the best planned railway system in eastern Canada, second to but few comparable systems in the United States, came into the possession of the Canadian people for the sum of $216,000,000, in round figures.

Now we come to the fifth section, the Grand Trunk Pacific, built in association with the National Transcontinental under terms by which the Canadian people were responsible in the same degree for the money spent on it as they were for the money spent on the transcontinental in the east. Why? Because under the terms of the contract entered into with the Grand Trunk the Canadian engineers, or the officials of the transcontinental east of Winnipeg, were responsible for checking the expenditures on the Grand Trunk Pacific west of Winnipeg. Likewise the officers of the Grand Trunk Pacific, in reality of the Grand Trunk, were responsible for checking the expenditures on the transcontinental. The figure for the Grand Trunk Pacific was $124,826,000. If I wanted to take the time I think I could find where I have said in this house that it always seemed to me that these two groups of men vied with each other to see which would waste the most money, all chargeable to the Canadian people; for in reality that is what happened—it was a campaign of extravagance equalled only by what has taken place since the lines were taken over by the people themselves.

The gross total of charges against all these lines at the time they were taken over was $1,106,000,000 odd. To put them on a proper basis and show what should have been charged up to them at that time, there should have been written off from the cost of the transcontinental east of Winnipeg and the Grand Trunk Pacific west of Winnipeg the sum of $265,000,000. That is the total sum that should be written off, because the management of the Canadian National Railways has been responsible for every dollar that has gone into them from that day to this. That would have made the total at the time they were taken over, $841,000,000 odd.

At the time the railways were taken over and consolidated into the Canadian National system an accurate estimate was made of what it would require to bring this whole system into such a condition that it could be rated as a class one road as that term is used in reference to railway lines all over North America. Had that been followed out it would have resulted in a basis of approximately $60,000 a mile for the whole Canadian National railway system, including the roadbed and everything that goes with it, and equipment. It may be interesting to the house to know that we secured the Canadian Northern with everything it possessed on a basis of $33,000 odd per mile. But to bring it up to standard would require further expending. I have the figures under my hand but will not take the time to put them into the record, showing what would have been required to bring that line up to a class one basis or $60,000 a mile covering the whole system. The old Grand Trunk, as it is commonly termed, which forms the main connecting link through eastern Canada for the Canadian National system, was a double track line and properly should carry a higher capitalization than the single track lines that constituted the major portion of the system all across Canada. The point is that meanwhile the Canadian people, through the management of the national system, have added something like $1,500,000,000 to the capitalization of the whole. Some say that should all be written off and the lines left with a capital of $840,000,000. But if the Canadian people are to have a proper understanding of what the Canadian National railway system means to them

and has meant to them and will mean to them, the proper thing is to begin where we started and squeeze out the water that was in the lines at the time they were taken over. But the water we have ourselves pumped in should properly remain so that the people will realize what they are doing.

I beg to move the adjournment of the debate.

Motion agreed to and debate adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 1, 1934

The house met at three o'clock.

CIVIL SERVICE COMMITTEE

Mr. J. EARL LAWSON (West York) presented the first report of the special committee on the Civil Service Act and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SCOTSBURN, PICTOU COUNTY, MAIL CONTRACT

Mr. URQUHART:

1. What are the names of the parties who tendered for the mail contract for Scotsburn No. 3 rural mail route, Pictou county, when the last contract was awarded?
2. What was the amount of each tender?
3. To whom was the contract awarded and at what price?

Mr. DUPRE:

1 and 2. Kenneth Matheson, $600 (minor); Hugh McL. Munro, $780; Daniel M. McKay, $786; Albert Gordon Blackie, $790.

3. Hugh McL. Munro at $780 per annum.

NEW ZEALAND BUTTER

Mr. McPHEE:

1. How many pounds of New Zealand butter came to Canada in the calendar year 1933?
2. How many pounds of New Zealand butter are at present on consignment in Canada?
3. How many pounds of New Zealand butter have been released for sale in Canada since January 1, 1934?

Mr. MATTHEWS:

1. Imports of New Zealand butter entered for consumption in Canada, calendar year 1933, 1,321,208 pounds.

2. New Zealand butter in customs custody February 28, 1934, 320,146 pounds.

3. Imports of New Zealand butter entered for consumption in Canada since January 1, 1934, as recorded from entries received in Ottawa to February 28, 1934, 376,992 pounds.

CANADA SHIPPING ACT DRAFTING

Mr. CHEVRIER:

1. Did the government, Marine department, or any other department, procure any assistance outside the public service of Canada to draft, edit or otherwise prepare for printing the text of the Canada Shipping Act which was introduced in the Senate as Bill J, on March 8, 1933?
2. If so, who is the person or who are the persons who have been required for such assistance, stating their names, professions and addresses?
3. What amount, remuneration or gratuity, if any, was paid to any such person for that assistance, as well as for any travelling expenses, living allowance or extra costs, if any?
4. What was the cost of printing the English and French versions of said bill?
5. Has the government, the Marine department or any other department, procured any assistance outside the public service of Canada to have the said bill corrected or otherwise redrafted for introduction during the present session?

Mr. CAHAN:

1. Yes.

2. Martin Griffin, K.C., barrister, of Vancouver, B.C.

3. Fees, $4,250 (January 13 to March 7, 1933); travelling expenses, $327.70; living allowance, $564; extra costs, $52.56, Total $5,194.26.

4. English version (603 copies), $1,494.20; French version (200 copies), $2,168.93.

5. No.

CANADIAN LEGATION BUILDING, TOKYO

Mr. CASGRAIN:

1. On what date was the order in council adopted in connection with the erection of a public building for the Canadian legation at Tokyo?
2. Was the said order in council made public?
3. If so, when?

Mr. BENNETT:

1. August 31, 1932.

2. No; but the substance was included in a statement given to the press by the Acting Prime Minister on August 31, 1933.

3. Answered by No. 2.

PROVINCIAL SUBSIDIES

Mr. MICHAUD:

1. Will there be an increase in the subsidies to the provinces, and particularly to the province of New Brunswick, during the present fiscal year?

2. If so, by what additional amount and on what ground?

Mr. BENNETT: I think upon reflection the hon. gentleman will realize that this question, asking the government what its purposes are, is an improper form of question.

QUESTION PASSED AS ORDER FOR RETURN

MAIL SUBSIDIES

Mr. WOODSWORTH:

What amounts were paid for the carrying of mails, by way of subsidies, contracts, grants or otherwise to: (a) the Canadian Pacific Railway; (b) the Canadian National Railways; (c) the Canadian Pacific Steamships; (d) the Canadian National Steamships, during the last calendar year?

Mr. CAHAN: Return tabled herewith.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS AFTER MONDAY, MARCH 5

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

That on Monday the 5th of March, 1934, and every Monday thereafter until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions by members and notices of motions for the production of papers.

He said: This means that Monday last was the last Monday for private members. I think that perhaps we have gone longer than on some other occasions before taking Monday as a government day. This will still leave Wednesdays for private members, together with the usual provisions for private bills. I do not know that I can usefully add anything to what the motion itself indicates.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there is still on the order paper a number of notices of motions, and I wonder if the government could allow one other Monday before taking Mondays for government business.

Mr. BENNETT: Mr. Speaker, the government extended the period one Monday beyond the usual Monday. We did not ask that last Monday should be taken. There has been an opportunity I think to discuss every motion that has been on the order paper. They were called, but the hon. members in whose names they stood were not prepared to go on. Wednesday will still be available for private members, and I see no reason why there should be another Monday taken, but if later on it should develop that that is desirable we shall try to make arrangements accordingly.

Mr. WOODSWORTH: May I point out to the Prime Minister that the government, contrary to its usual custom, took up several Thursdays in connection with the debate on the address. I would also point out that there are some motions on the order paper which have not yet been reached.

Mr. BENNETT: I only desire to point out that taking the course we did was a distinct advantage to private members, for the order that gives precedence to the address involves that every Thursday that is a private member's day shall be taken up with the debate on the address. But in this instance that was not the case, and there were Thursdays when hon. members were afforded an opportunity for the discussion of private members' resolutions.

Motion agreed to.

HARD SURFACE ROADS

On the orders of the day:

Mr. J. L. ILSLEY (Hants-Kings): I would direct a question to the Minister of Labour, based upon a passage in the speech from the throne in the province of New Brunswick, reading:

My government intends with the assistance of the Dominion government to commence during the present year the laying of some hard surface roads.

Has this government agreed with the New Brunswick government to assist in the laying of hard surface roads, and if so, upon what terms? Has it refused similar assistance to the province of Nova Scotia?

Hon. W. A. GORDON (Minister of Labour): I have not before me the agreement with the province of New Brunswick, and details of the extent to which this sort of work is being carried on are not presently within my knowledge. I shall look into the matter and give an answer to-morrow or Monday.

THE POTATO MOTH

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the hon. Minister of Agriculture (Mr. Weir), based on a telegram I have received from the Hon. K. C. MacDonald, Minister of Agriculture in the province of British Columbia, in which he states that in a shipment of potatoes from

Bermuda landed in Vancouver there has been discovered the potato moth, which is destructive alike to tobacco and potatoes. In view of the fact that local entomologists and growers view with alarm the prospect of this moth entering Canada, I would ask if the minister would take steps to have this shipment held up with a view to ascertaining just how serious the situation is.

Hon. ROBERT WEIR (Minister of Agriculture): Every precaution will be taken, if such is the case, to prevent the shipment being landed. I understand that the dominion entomologists have the matter in hand.

UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. J. L. DUGUAY (Lake St. John): Mr. Speaker, I should like to ask the Minister of Labour (Mr. Gordon) if the statement contained in a telegram which I received is correct. This telegram is in French, the translation being:

Has Ottawa authorized Quebec to reduce allocation for wood of seventy-five cents per week. Answer immediately.

Hon. W. A. GORDON (Minister of Labour): The administration of relief is entirely in the hands of the provincial government, and the answer to the hon. gentleman's question is, no.

DISTRIBUTION OF MILK

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I should like to inquire of the Minister of Agriculture (Mr. Weir) whether his attention has been drawn to the milk situation in the city of Hamilton. At present, serious conflict exists in the distribution of milk between the Borden Company and a cooperative organization. Will the minister look into this situation with a view to protecting the interests of the producers and the consumers?

Hon. ROBERT WEIR (Minister of Agriculture): The answer is, yes.

RAILWAY SERVICES

On the orders of the day:

Mr. J. E. MICHAUD (Restigouche-Madawaska): Mr. Speaker, I should like to inquire of the Minister of Railways (Mr. Manion) if his attention has been directed to the fact that the business of the Canadian National Railways and the Canadian Pacific Railway in the city of Fredericton is being amalgamated with the idea of closing the station of the Canadian National Railways?

Hon. R. J. MANION (Minister of Railways): This matter has not been drawn to my attention. I might mention that no station can be closed or any action taken as to united operations or the closing of branch lines without first being submitted to the Board of Railway Commissioners. Such action is open to appeal by interested parties.

BANK ACT AMENDMENT

CONDITIONS GOVERNING TEN YEAR EXTENSION OF BANK CHARTERS

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 18, respecting banks and banking.

He said: Mr. Speaker, it was originally the intention to proceed to-day with the second reading of this bill and, if time permitted, with the second reading of Bill No. 19, to incorporate the Bank of Canada. However, in deference to the views expressed last evening by the hon. member for Quebec East (Mr. Lapointe), it is not proposed that we shall proceed with the latter bill. There is nothing that I care to add to the observations I made on the introduction of this bill. My purpose in rising to-day is to express the hope that the second reading of this bill may be expedited in order that it may be sooner available for the consideration of the committee on banking and commerce.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I am entirely in agreement with the wishes of the hon. Minister of Finance (Mr. Rhodes) with regard to the expediting of the second reading of this bill and I assure him that as far as we on this side are concerned there is no desire to delay it at all. We are anxious to get down to what might be regarded as the work of the session.

As I understand it, this bill arises not only out of the fact that the Bank Act provides for a decennial renewal of bank charters but also because certain recommendations have been made in the report of the Macmillan commission, referred to the other evening by the minister. As I understand it, the terms of reference to this commission did not specifically charge it with the obligation of recommending amendments to the Bank Act, but there is a provision in the reference, quoted by the chairman in the introductory portion of the report, which reads:

. . . . to study the entire monetary system of Canada, particularly in relation to commodity

price movements and international exchange fluctuations, to consider whether the monetary system of Canada may be so modified and developed as to facilitate intra-imperial and international cooperation in policies designed to promote the revival of trade, the increase and stability of employment and the raising of the level of commodity prices, and generally to make such recommendations as we may deem proper for revising or supplementing existing legislation or for the adoption of other measures calculated to promote the economic and financial welfare of Canada.

In other words, the reference provides for what I regard as a complete overhaul of the machinery of our monetary system. It is a matter of some regret that the commission did not, during the course of its review of conditions in Canada, find it possible to deal with matters which are to some extent outside the banking situation. In this connection, the chairman says:

We have taken a more moderate view of the duty entrusted to us and have considered it rather to be our task to enter upon the field of these large topics only in so far as they affect and are affected by the more specific subject of our study, namely, the banking and currency systems of Canada.

The result has been that the only concrete recommendation made by this commission is for the establishment of a central bank along with certain suggestions as to the constitution of that bank and other recommendations with regard to amendments to the Bank Act. These latter recommendations are included in the chapter of the report which gives the general review of the banking situation in Canada. Another recommendation is made that the government should apply itself to an investigation of the subject of rural credits, which indicates that at that time the commission did not feel itself to be in a position to deal with this important matter.

I am not one of those who consider that our examination of the monetary system of Canada has been completely exhausted by the examination of our banking legislation or by the proposal to create a central bank. I feel that the monetary system is probably the most important bit of machinery in our economic life. There were other matters which this commission could have dealt with and discussed in an effort to improve conditions in Canada. I am not complaining in the slightest. I appreciate the fact that the commission was charged with a very heavy task and that the services of the chairman and of Sir Charles Addis were given at a time most inconvenient to themselves, but given with a desire to benefit this country if at all possible. I am sure that the services of the other members also were devoted to the task in the same spirit. Nevertheless it

seems to me that the fact that the recommendation is confined to banking legislation, both with regard to private banks and with regard to the central bank, indicates how important they consider these institutions are in the light of conditions in this dominion.

When we speak of the monetary system of Canada we mean of course the system whereby cash and credit are provided by those who deal in cash and credit for the use of those who may want to purchase goods or services but who find themselves in the position that those who have such goods and services to sell do not want to take goods and services in exchange. Obviously a matter which is so vital to our economic situation and the problems that confront us must call for the most careful attention and the most thoughtful study of this house.

I felt that the commission might have explored some suggestions which were put forward by the Macmillan committee in England. That committee suggested that the existing banking system and the financial institutions in operation there did not cater as effectively as they might to a certain class of enterprise which was most useful in the life of the community and which at the same time was too small to be able to provide its capital by public issues. It was suggested in the report of that committee that it might be possible to establish some sort of central body which would have to do with the financing of enterprises of that kind. It seemed to me also that there might have been some study with regard to the provision of capital, under proper circumstances, for those engaged in the primary industries who have to make outlays for capital purposes, and who therefore may not be able to obtain from the existing financial institutions the facilities they desire, but who might be able to come to some central body of the kind suggested by Lord Macmillan's committee. There was a suggestion there as well for a board of national investment which might exercise these functions, which might be in a position in proper cases to provide capital for small enterprises or industries, primary or secondary, and which at the same time might be in a position to go even so far as to regulate issues on the stock exchange, so that not only might the person who wanted capital be protected, but the investor as well.

These matters are not dealt with in the report. It is a matter of regret that something of that kind was not studied, but we quite understand the circumstances under which the report was made. I feel therefore, Mr. Speaker, with respect to this bill, that it

is most important, as I suggested at the outset, that this house should at the earliest possible moment grapple with the problems presented in the amendments which are already indicated in the bill, and also with the general problem as to whether any further improvement or even possible replacement can be effected in our existing financial machinery for the good of production industry and commerce in this dominion.

May I assure the Minister of Finance that he will have the fullest cooperation in the study of this measure, because from the report I regard it as a major question for the consideration of this house. The private banking system of Canada touches directly the people of the country. A central bank is one step removed from them, but in a banking system equipped to meet the needs of our Canadian people, and particularly of our export trade, we shall find the greatest measure of success in the things we are trying to do in this country.

I yield to no one in my admiration for the way in which our banking system has stood up under the strain, and I also join with many in the view that this does not necessarily prove that the system is perfect at the present time. I take it therefore to be one of our major tasks at this session to give our wholehearted attention to this bill in an endeavour to improve the banking system in every way possible.

I know that the minister will quite readily appreciate the intimation that we are accepting this as a second reading of the bill to renew the bank charters; further than that we do not go at this stage. We do not commit ourselves in connection with the details of the amendments proposed nor with respect to the provisions which are in the act at the present time. We wish to have full scope in the banking and commerce committee to examine the banking situation from stem to stern, if I may use that expression, and to overhaul the financial machinery which plays such an important part in the business of the country. With those reservations I think I can say that those on this side of the house will readily accept the motion.

Mr. G. G. COOTE (Macleod): I do not wish to delay the passage of this measure, which in my opinion is the most important that has been before parliament in the last ten years. I say that because the bulk of the money used in this country is created by the chartered banks. Under the British North America Act, banking, currency, credit and the issuing of paper money are under the jurisdiction of the federal authority. Under the monetary system which has been set up by legislation in the past there have been up to the present time two money-issuing authorities in Canada—the Department of Finance and the banks incorporated under this act. While the Department of Finance does issue dominion notes and coins, none of these is paid out by them, so far as I am aware, except to the chartered banks. On September 30, 1933, the amount of dominion notes outstanding was $173,147,000, odd, and gold and specie amounted to $49,000,000. Any money reaching the public for circulation or for the transaction of business must be put out by the banks, and in addition to the small amount of dominion notes and coins I have mentioned this money is either bank notes or credit. As the total of bank deposits on September 30, 1933, was $2,260,000,000 odd, it will be readily seen that the banks are the chief issuing bodies; and inasmuch as money is the most important factor in the whole economic system—it is sometimes referred to as the hub of the wheel—it cannot be doubted that this should be considered the most important bill that has been before parliament in the last ten years.

I know that there are many people, including even prominent bankers, who do not admit that the banks create credit money in addition to issuing bank notes. In this regard I should like to quote from a speech delivered by the Secretary of State (Mr. Cahan) in Toronto on November 13, before the Canadian Club. I do so because I think that the hon. gentleman has covered the situation admirably, and perhaps in fewer words than I might use myself. In speaking of this practice of the banks in creating their own deposits, he said:

> The result is that, in modern practice, 70 to 80 per cent of the aggregate of all deposits, shown in the Canadian bank returns, represents in reality the amount of loans made by the banks and then outstanding. In consequence bank deposits consist largely of credit money which has been created by the banks. When a loan is repaid by the customer to the bank which made the loan, the deposit created by the loan is wiped out, and the aggregate of all bank deposits is thereby reduced by the sum so paid.

I think it will make it clear if I give the figures as presented by the Secretary of State on that occasion:

September 30, 1933	
Deposits by the public in Canadian chartered banks payable on demand in Canada.. .. ..$	491,000,000
Deposits payable after notice or on a fixed day in Canada.. ..	1,372,000,000
Deposits elsewhere than in Canada.	296,000,000
Balances due provincial and dominion governments.	99,000,000

Or a total, in round figures, of $2,260,000,000 in the chartered banks of Canada. This aggregate amount on deposit on September 30 last, he points out, was $436,000,000 less than the average amount of deposits during the year 1929. Then he goes on to show that the balance on deposit in customers' accounts "represents a sum of money which the customer owns, but nevertheless this money does not exist except in the accounts of the customer's bank." He continues:

What is paid out of one bank account is paid into another bank account by entries in books of account. A relatively small quantity of metallic coins or paper currency suffices for owners who require cash for their petty expenses.

Then he says:

The cheque system, which has been developed, enables the banks to create money without the issue of their printed notes. On September 30 last, all the Canadian banks had $141,000,000 of their own notes in circulation, while the aggregate of bank deposits was $2,260,000,000.

He says later:

But the cheque system, which now prevails, enables the banks, as I have stated, to create credit money at will for many hundreds of millions of dollars in excess of their note issues. $1,428,000,000 of such credit money was issued and outstanding on September 30 last. In comparison with this bank credit money, the amount of all other money in circulation is quite insignificant.

To be quite fair to the Secretary of State I want to say that in the following paragraph he states that of course the power to create credit by the banks is not unlimited. I think it would be clear from his words that the importance of the act which is now before us might be underestimated by members of the house and people in the country who have not been giving to the monetary system as much study as has been given by the Secretary of State.

The next point I should like to deal with is that under our banking system we have built up what amounts to a monopoly of credit in Canada and a control exercised over our whole economic life through this control of credit. There have been general bank acts passed in this house in the years 1867, 1870, 1880, 1890, 1900, 1913 and 1923 and I think it would be fair to say that practically on every occasion the act was pretty much as the bankers wanted. Prior to 1900 there was no provision in the Bank Act for the purchase of the assets of one bank by any other, and in that year the change was made providing for this. Also in 1900 the Canadian Bankers' Association was incorporated by act of parliament, chapter 93 of the statutes of that year. In the Bank Act of 1900, sections 24 to 29 inclusive, provided that the Canadian Bankers' Association should appoint a curator for any bank that suspended payment in specie of any of its liabilities, gave the association power to make by-laws, rules and regulations respecting all matters relating to the curator and making of bank notes, and this in addition to the provision which I have already mentioned, under which one bank was allowed to purchase the assets of another, subject to the approval of the governor in council through the recommendation of the Minister of Finance.

In this way there was built up a fine machine for centralizing control in a few hands and bank mergers began that year. I shall not take time to read a list of those bank mergers; they are to be found by anyone who is interested, on page 19 of the recent banking commission's report. The following table shows how the number of banks in Canada was reduced:

Year	Number of banks
1900	36
1910	28
1923	17
1933	10

In that time the following banks absorbed:

Name of bank	Number of banks absorbed
Royal Bank	8
Bank of Montreal	6
Bank of Commerce	8
Bank of Nova Scotia	4

Altogether thirty-five banks were purchased by other banks during that period and as a result of the mergers which have been going on for the past thirty-three years, we now have a situation where one bank controls approximately 28 per cent of the banking assets of Canada and three banks together, sometimes called the "big three," control approximately 70 per cent of the banking business. The policy of those three banks may be said to set the pace for the smaller banks and I think it is not stretching the case too much to say that ten banks have what amounts to a monopoly of credit in Canada. Not only do the large banks practically control the banking business of the country, but their directors control trust companies, mortgage and loan companies, bond and investment houses, insurance companies, railways, public utilities, flour mills, bakeries, packing plants, steel mills, textile plants, tobacco factories, agricultural implement factories, pulp and paper plants, and so forth, in fact, almost everything that would seem to be worth controlling.

I have in my hand a statement showing some of the corporations controlled by directors of the three largest banks and the great number of directorships held by individual directors. The list is necessarily incomplete; it is not easy to secure the complete information. The list has been taken mainly from the Canadian Annual Financial Review and many corporations are not shown there. A few have been added from Who's Who and other sources. I should like to place this list on Hansard, but under the rules I suppose I shall be compelled to read it. It is as follows:

Abitibi Power & Paper Co.
(a) Provincial Paper Ltd.
Algoma Consolidated Corp.
(a) Lake Superior Corp. which controls Algoma Steel and others.
Aluminium Ltd.
Amalgamated Electric Corp.
Andian National Corp.
Asbestos Corp.
Acadia Sugar Ref. Co.
Barcelona, T. L. & Power Co.
Beauharnois Power Corp.
Belding-Corticelli Ltd.
Bell Telephone Co.
Blue Diamond Coal Co.
Blue Ribbon Corp. (control McIntyre)
Bordens Ltd. (control 18 co's)
Brandram-Henderson.
Brazilian Traction, Light & Power Co. and six subsidiaries.
British American Assurance Co.
British American Oil Co.
British Columbia Power Corp.
British Columbia Pulp & Paper Co.
Building Products Ltd.
Burns & Co. Ltd.
F. N. Burt Co.
Calgary & Edmonton Corp.
Canada Cement Co.
Canadian Foundaries & Forgings Ltd.
Canada Life Assurance Co.
Canada North-West Co.
Canada Packers.
Canada Permanent Mortgage Co.
Canada Permanent Trust Co.
Canada Steamship Lines.
Canada Airways Ltd.
Canadian Bakeries Ltd.
Canadian Bronze Co.
Canadian Canners Ltd.
Canadian Car & Foundary Co.
Canadian Cottons Ltd.
Canadian Dredge & Dock Co.
Canadian Fairbanks Morse Co.
Canadian Foreign Investment Co.
Canadian General Electric Co.
Canadian General Investments Ltd.
Canadian Industrial Alcohol Co.
Canadian Industries Ltd.
Canadian International Investment Trust.
Canadian Locomotive Co. Ltd.
Canadian Marconi Co.
C.P.R. Co.
Canadian Vickers Ltd.
Canadian Westinghouse Co. Ltd.
Central Canada Loan & Savings Co.
Citadel Brick Ltd.
Cockshutt Plow Co. Ltd.
Confederation Life Assurance.
Consolidated Bakeries.
Consolidated Investment Corp.
Consolidated Mining & Smelting Co.
Consolidated Oka Sand and Gravel Co.
Consolidated Paper Corp. Ltd.
Consumer's Gas Co. of Toronto.
Consumers Imperial Mills Ltd.
Crown Trust Co.
Dominion Agricultural Credit Co.
Dominion Bridge Co. Ltd.
Dominion Engineering Work.
Dominion Glass Co.
Dominion Life Assurance Company.
Dominion Rubber Co.
Dominion Steel & Coal Corp.
Dominion Stores Ltd.
Dominion Tar & Chemical Co.
Dominion Textile Co.
Dominion Woolens Co.
Donnacona Paper Co. Ltd.
Duke-Price Power Co. Ltd.
Eastern Canada Saving & Loan Co.
Eastern Trust Co.
Economic Investment Trust Ltd.
Foundation Co. of Canada.
Fraser Companies Ltd.
General Steel Wares Ltd.
Goodyear Tire & Rubber Co. of Canada.
Goulds Pumps Inc.
Great West Life Assurance Co.
The Guarantee Company of North America.
Gypsum, Lime & Alabastine, Canada, Ltd.
Hamilton Bridge Co.
Hamilton Cotton Co.
Hamilton United Theatres Ltd.
Hillcrest Colleries Ltd.
Holt, Renfrew & Co. Ltd.
Home Investment & Savings Association.
Home Oil Company.
Howard Smith Paper Mills.
Hudson's Bay Company.
Huron & Erie Mortgage Corp.
Hydro-Electric Bond & Share Corp.
Imperial Life Assurance Co. of Canada.
Intercolonial Coal Co.
International Coal & Coke Co.
International Nickel Co. of Canada.
International Paints (Canada) Ltd.
International Hydro Electric System.
The Canadian Hydro & Subsidiary Companies Controlling Gatineau Power Co.
St. John River Power Co.
Gatineau Electric Light Co.
International Power Co. Ltd., and six controlled companies.
Investment Bond & Share Co.
Kelvinator of Canada, Ltd.
Lake of the Woods Milling Company.
Landed Banking & Loan Co.
Inter City Western Bakeries.
London Canadian Investment Co.
Lowry Petroleum Ltd.
Maritime Trust Co.
Massey Harris Co.
McIntyre Porcupine Mines Ltd.
Mexico Tramways Co.
Mexico Light Heat & Power Co., and two others.
Minneapolis, St. Paul, Sault St. Marie Rail-Way Co.
Moirs Ltd. (Halifax).
Monarch Knitting Co. Ltd.

Montreal City and District Savings Bank.
Montreal Cottons.
Montreal Island Power Co.
Montreal Light Heat & Power Co. (8 companies).
Montreal Trust Co.
Moore Corp. Ltd.
Mutual Life Assurance Co. of Canada
National Breweries Ltd.
National Sewer Pipe Co. Ltd.
National Steel Car Corp.
National Trust Co. Ltd.
Niagara Wire Weaving Co.
Northern Mexico Power & Development.
Northern Mortgage Co. of Canada.
Northern Trusts Co.
Nova Scotia Light and Power Co.
Ogilvie Flour Mills Co. Ltd.
Ontario Steel Products Co. Ltd.
Ottawa Car Manufacturing Co.
Ottawa Light Heat & Power Co.
Ottawa Traction.
Page Hersey Tubes Ltd.
Famous Players Canadian Corp.
Penmans Ltd.
Canadian Northern Power Corp. of Canada.
Price Brothers & Co. Ltd.
Quebec Power Co. Ltd.
Rolland Paper Co. Ltd.
Royal Trust Co. Ltd.
Russel Motor Car Co.
St. Lawrence Corp. Ltd. & Consolidated Companies, St. Lawrence Paper Mills; St. John Power & Paper; Brompton Pulp & Paper Co.
Sawyer-Massey Co.
Shawinigan Water & Power Co.
Simpsons Ltd.
Standard Chemical Co. Ltd.
Standard Clay Products Ltd.
Standard Paving and Materials Ltd.
Steel of Canada Ltd.
Sterling Coal Co. Ltd.
Sun Life Assurance Co. Ltd.
Toronto General Trusts Corp.
Toronto Mortgage Co.
Toronto Savings & Loan Co.
Tuckett Tobacco Company.
Union Gas Co. of Canada Ltd.
United Securities Co. Ltd.
Montreal Tramways & Canadian Light & Power Co.
Western Assurance Co.
Western Canada Flour Mills Ltd.
Western Grocers Ltd.
Zimmerknit Co. Ltd.
Standard Life Assurance Co.
Guardian Assurance Co.
Canadian Bag Co.
B.C. Sugar Co.
Paton Manufacturing Co.
Allan Securities Ltd.
Caledonia Investment Co.
G. W. Allan Co.
Beaver Fire Insurance Co.
Belgium Canada Real Estate Co.
Alloway & Champion.
Canada Loan Co.
Beaver Lumber Co.
Manitoba Rolling Mill Co.
Manitoba Steel & Iron Co.
Hudson's Bay Co.
Northern Electric Co.
Ottawa Investment Co.
Title Guarantee & Trust Co.

[Mr. Coote.]

Quebec, Montreal & Southern.
Pratt & Letchworth Co. Ltd.
Canadian Salt.
Postal Telegraph & Cable Corp.
Maritime Life Assurance Co.
Shredded Wheat Co. of Canada.
Ontario Malleable Iron Co.
National Surety Co.
Canada Sugar Refining Co.
Interprovincial Brick Co.
International Clay Products Co.
Insurance Exchange Co.
Manufacturers & Mutual Fire Insurance Co.
Anglin-Norcross Ltd.
W. C. Edwards Co. Ltd.
Toronto Penny Bank.
Greenshields Ltd. (Dry Goods.)
Standard Life Assurance.
Hudson Bay Life Assurance Co.
Canadian Transfer Co.
Sheddon Foundry Co.
Ritz-Carlton Hotel Co.
National City Co.
Royal Exchange Assurance Co.
Brinton-Peterboro Carpet Co.
Montreal Locomotive Works.
United States Rubber Co.
International Mining Co.
Canadian Bridge & Dock Co.
Canadian Northern Power Corp.
Molson's Brewery.
West Kootenay Power & Light Co.
Waldorf-Astoria Hotel.
Ottawa Gas Co.
Ottawa Electric Railway Co.
Ottawa Building Co.
St. Lawrence Sugar Refineries.
Great Eastern Railway Co.
Canadian Pratt & Whitney Aircraft Co.
Canadian Western Lumber Co.
Imperial Guarantee & Accident Co.
Canadian Insurance Co.
Brompton Pulp & Paper Co.
United Fuel Investments Ltd.
Debenture & Securities Corp.
Burlington Steel Co.
Dominion Wire Rope Co.
Consumers Glass Co.
Provident Investment Co.
Pioneer Grain Co.
Eastern Terminal Elevator Co.
Western Grocers Ltd.
Dominion Power & Transmission.
Gunn's Limited.
Harris Abattoir, Limited.
Canadian Packing Co.
Wm. Davies Limited.
Gillette Safety Razor Co.
Holt Gundy & Co.

As I said before, this is not a complete list but I think it is a pretty good sample of the corporations which the directors of three banks control, and this is only three out of ten. Through interlocking directorates these men control the bulk of the industry of the country. Through industry they largely control advertising, and through advertising they can if they wish control most of the press. Credit is necessary in every business to-day. Bankers can put any company or organization out of business by refusing credit at a critical time.

They may refuse credit to competitors of companies in which they are personally interested. The giving or withholding of credit largely governs the volume of business done to-day. Through their control of finance and industry the group of men already referred to exercise more power over the economic life of the people than does any government. They have power without responsibility, which is generally attended with unfortunate results for someone. Pages could be written showing the unsatisfactory features of this centralization of control in private hands. Corrective measures should be stipulated by the new Bank Act. I am not at the moment going to suggest the measures that might be taken. Various suggestions might be made but I will offer only one now, that is that the governor in council should have power to appoint one half of the directors of the chartered banks, and these men should be representative of various economic interests. In passing may I point out that although agriculture is Canada's major industry, and as we are told time after time, the basic industry of this country and the backbone of Canada, there is not as far as I have been able to gather one agriculturist on any of our bank directorates. Regardless of whether the suggestion I have made is acted upon, the fact that so much power now rests in the hands of directors of a few banks is a very good reason for the creation in Canada of a national bank. The present situation is not in the best interests of Canada. Sir John Aird, who is now president of the Canadian Bank of Commerce, when he appeared before our banking committee in 1923, referring to the aid given to certain railroads by that bank said if it had not been for the credit extended by the banks to these railways the west would now be in the hands of that great octopus, the Canadian Pacific Railway. If the Canadian Pacific Railway at that time could be so described I do not know what term would properly describe the present banking combination. There is a great deal of talk going on in parliament and throughout the country at present as to who is going to win the next election. In other words they say: Who is going to be in power? Regardless of who wins the next election it seems clear to me that those who are going to be in power after the next election are Canada's kings of finance. I have in my hand a copy of the Grain Growers' Guide of October 15, 1928, containing an article written by Grattan O'Leary, a very capable writer of Ottawa. Mr. O'Leary in this article is dealing with Sir Herbert Holt; it is headed "Canada's Kings of Finance" Number One, Sir Herbert Holt. Mr. O'Leary says in part:

In parliament, Mr. King and Mr. Bennett and the others sit framing our laws; and the national spotlight is upon them. Their lightest word is telegraphed across the continent; their speeches read by hundreds of thousands; their careers followed with almost pathetic interest. We think of them as the arbiters of our destiny. It is all a divorcement from reality. In an unpretentious room in Montreal sits a man who, unobserved, almost unnoticed, has become a colossus of finance, a demigod in our industrial ledgers, master of the mightiest commercial pageant that this dominion has seen, more potent in shaping the everyday economic lives of the Canadian people than all our politicians put together.

That man is Sir Herbert Holt.

He says that Sir Herbert Holt is a splendid organizer, and he mentions the Montreal Light, Heat and Power Company, which he says is probably Holt's outstanding achievement. Over a thirty year period its shareholders have received an enormous return, the original shares of $100 now being worth $1,140. Then he proceeds to deal with another organization with which Sir Herbert Holt was connected. In 1927 Holt in cooperation with J. H. Gundy purchased Canada Cement, putting up the staggering sum of $40,000,000 in hard cash. I wonder where they got that much money.

The old company was extinguished; a new one formed, with new capital; preferred stock and bonds were issued for $41,000,000. In addition, two shares of common stock were given with every five preferred shares purchased: 84,000 shares of common stock being thus given away. Holt and Gundy still hold 516,000 shares of common, and at the present day price of $34 per share, could sell their remaining interest in the company for $17,544,000.

The question I should like to ask, Mr. Speaker, is whether that was of any advantage to the people of Canada. Then the writer goes on to tell how many corporations are directed by this man; he says:

How can a man keep in touch with the operations of 145 companies, embracing hotels, water powers,—

And so on; I am not going to take time to read the list. Then Mr. O'Leary winds up by referring to the power exercised by this man; he says:

—the influence which he exercises over the economic life of the Dominion of Canada. Whether that influence is for good or evil, it is not for this article to say. But when men speak of economic policies and of economic government in Canada, it is well, perhaps, that they turn sometimes from political parties and give a thought to this king of finance, who, without trumpetings of any kind, has become the richest and the mightiest man in this Dominion, a veritable field marshal of industry whose power for good or ill is unquestionably of the greatest.

If we add to the power of Sir Herbert Holt which Mr. Grattan O'Leary has so well described, the power wielded by the other kings of finance in Canada, we will have a better idea of who really are in control of the destinies of this country. I am not criticizing these men who happen to be in that position, I am trying to describe the existing situation. If I were to indulge in any criticism I should like to make it constructive, and I should like to see that situation corrected.

While I am on that point might I say that from 1930 to 1932, I think the date is March in each year, there was a shrinkage of $100,000,000 in call loans in Canada. Other current loans fell by $267,000,000, but loans made to directors and firms in which they were partners actually show a slight increase. Such loans amounted to $20,400,000 in 1930 and to $20,800,000 in 1932. I do not make any particular objections to these loans being continued during those years; all I do object to is the fact that a different policy seems to have been carried out in connection with some of the other debtors of the banks. The large industries in Canada that are not controlled by the banks appear to be controlled from the United States. The large industries in the United States seem to be controlled by the banks, in fact the process seems to be going on in every country. I have here an excerpt from the evidence given by Mr. Frey before a sub-committee of the judiciary of the United States senate on January 27, 1932, on bill No, S5267. It is pointed out that the sixteen leading private bankers in New York city held 996 directorships in miscellaneous corporations, and that the eight leading banks in New York city, through their directors, held 3,741 directorships in other banks, public utilities, insurance companies, manufacturing, transportation and miscellaneous corporations. Among the big three in New York is the National City Bank. I do not know whether or not there is very much connection between the big three in the United States and the big three in Canada, but I do find that the National City Bank of New York controls the National City Company of Canada. The chairman of the board last year, when this statement was made out, was Mr. Charles Mitchell, president of the National City Bank, who obtained so much notoriety last year through the investigation carried on in Washington. The following bank directors were members of the advisory board of the company, whose head office is at 360 St. James street, Montreal. Sir Charles Gordon, W. A. Black, F. E. Meredith, Lieutenant-Colonel Herbert Molson of the Bank of Montreal; Sir John Aird, president of the Canadian Bank of Commerce; W. L. Matthews, director of the Dominion Bank, and Hon. J. M. Wilson of the Banque Canadienne Nationale.

I am informed, Mr. Speaker, that the directors of the three big banks in Canada and their affiliated trust companies hold 832 directorships in the principal business concerns of Canada, and no one can study the list which I have placed on Hansard without being impressed with the power vested in this group of men. They really hold the power of a dictatorship, if you like, over our economic life, and the building up of this powerful trust has been facilitated by bank mergers. I think some provision should be inserted in the act to prevent any more of these mergers taking place in future.

I do not believe the power held by these men has always been used wisely. I think they, in the exercise of their power, have disregarded national needs. They expanded credit unwisely and unnecessarily between the years 1926 and 1929, but since the fall of 1929 they have cancelled that credit to a vast extent. In four years, as the Secretary of State pointed out, it was brought down by $932,000,000. The hon. gentleman stated that current loans and discounts of the Canadian chartered banks had been reduced by $932,000,000 in the four years from September 30, 1929, to September 30, 1933. This would indicate that industrial and commercial activities in Canada have been reduced by forty per cent since September, 1929. It is worth pointing out that the holdings of government bonds by the banks during the same period has increased by eighty per cent. On October 31, 1929, the current loans and discounts, which I should think would be the commercial loans in Canada, amounted to $912,000,000, and on the same date the bonds held by these banks amounted to $881,000,000. In other words, the current loans and discounts exceeded the bonds held by only $31,000,000. It would appear that the banks are becoming investment trusts instead of commercial banks; that is the way I interpret that evidence. As we know, banks have practically ceased to finance agriculture and it would seem that the government must set up some other institution to finance our farmers, and possibly to finance industry as well, when you take into consideration the great reduction in loans to industry.

The situation in regard to municipal financing is almost as bad. In a submission made to the banking commission by the city of Calgary it is pointed out that the banks are charging interest at the rate of from 5½ per cent to 6 per cent to our larger municipali-

ties, and they hold as security all the resources of the people of those municipalities. In the case of the city of Calgary, at one time the bankers practically refused to finance the city. The submission states:

> The city's banks have declined to finance the city for the year 1933 except on a month to month basis notwithstanding the fact that at the present time the 1932 current carry-over of $750,000 has been reduced by tax arrears payments to approximately $270,000 and that the total debt to the city's bank on current borrowings is approximately $70,000.
>
> At the present time we have received no assurance of our ability to carry on until the end of the year, and the school board, which depends upon the city for its finances, is in a similar quandary.

It would seem, Mr. Speaker, that it should be the duty of the government, either in connection with the revision of this act or in connection with the act to establish a bank of Canada, or perhaps by a separate act, to set up some body that will finance municipalities in Canada.

I should like to point out that the burden of unemployment relief has made financing by our municipalities in many cases almost impossible, and the municipalities are not in any way responsible for the fact that unemployment occurred. It is the financial policy of this country more than anything else that has created and is responsible for this unemployment, and I have heard that some financial institutions have in certain cases practically dictated to the cities the amount that could be spent on relief. In the year 1932, not much over a year ago, there was an apparent attempt by the Bank of Montreal to dictate to the city of Calgary as to whether or not they should pay the interest on the city's bonds in New York funds. The city of Calgary resisted, and at one time the Bank of Montreal virtually told the city that if they would not pay the premium on exchange the bank could not extend the credit facilities which the city had been led to understand it would receive. Those administering the affairs of the city of Calgary have saved the city considerable money by refusing to pay the premium on exchange, and I believe most of the bond-holders of the city of Calgary have been glad since that time, to take Canadian currency. The submission of the city of Calgary to the Royal Commission on Banking and Currency recommends:

> That in conjunction with the establishment of a central bank in Canada or under the direct control of the Finance department a subsidiary corporation be formed for the purpose of providing credit or financial assistance to the cities and provinces of Canada. . . . The present situation where the capital credit of cities can be determined by the manipulation of bankers and brokers should be terminated.

I absolutely agree with that. I see, Mr. Speaker, that my time is almost exhausted, but I should like to emphasize that one point before I go any further. The banks should really share a large part of the responsibility for the condition that now exists in regard to unemployment. They are in control of the big institutions which furnish most of the employment. They control the corporations who laid off these workmen in many cases. Their financial policy has been one of deflation. Canadian bankers almost universally when they have discussed the question of monetary policy during the last three years have been absolutely opposed to inflation. Further, they appear to have been supporters of a policy of deflation, which certainly has been going on, and the fact that the bank loans were depressed by $932,000,000 is a clear proof of this deflation, which has caused, if not the bulk, at all events a large amount of the unemployment in Canada. But to-day the banks will not accept any of this responsibility. I think they should accept some of it. Either that or they should be prepared to see some national body set up that will assume responsibility in connection with financial matters.

In the few minutes left to me I want to make just a few suggestions as to amendments that I think should be considered when this new Bank Act is before the banking and commerce committee.

First, in regard to the returns which are made by the banks to the government. In addition to the information which is now required I believe that the banks should be required to show their total gross earnings from interest charges, exchange and other operations, and give a detailed statement covering the disposition of such earnings, including wages and salaries paid, and the amount written off for bad loans. If the bankers are as efficient as they would lead the public to believe, and I have no doubt on that score, they need have no hesitation in giving this information. Their depositors are entitled to it, and we are told repeatedly in this house that it is the depositors' money which they loan. Almost any other concern in Canada gives such details of its gross earnings and what is done with those earnings.

Secondly, I would like the banks to give in their annual or monthly statements the amount of deposits and loans by provinces; and in their yearly statement they should give the distribution of loans for various purposes—agriculture and other industries, loans against

stocks and bonds, and so forth. This was given by the Bank of Commerce about a year ago, and published in their monthly letter, and I think the practice is recommended in the report of the Macmillan committee in England. The banks should also give the number of their branches and where they are located; also the names, addresses and occupations of all the directors, and a list of the firms and corporations of which they are directors or partners.

I should also like to see them asked to make a classification of deposits in various groups according to the amount of the deposit. I notice that in the United States less than one per cent of the depositors own sixty per cent of bank deposits. A classification has been made showing the deposits in different classes. I think the same should be required of our banks in Canada for the information of the government, to give them a better idea of the economic condition of the people.

Loans by banks to stockbrokers against the collateral of stocks and bonds I think should be practically prohibited. Legislation dealing with that matter has been passed by the United States congress recently, and I think that similar legislation should be passed in Canada.

Section 138 of the present Bank Act should be struck out. That is the section which prohibits anyone except the banks issuing money or anything that might be considered as a substitute for money. Some municipalities in Canada have issued scrip for a part of their annual tax levy, and some of them in western Canada have been taken into court and sued for the penalty of $400. I do not see that there is any reason why a municipality should not be allowed to exercise that right.

I also think that our banks should be compelled to confine their operations to Canada. The bank statement for May, 1933, shows that one of our banks had thirty-six per cent of its loans outside of Canada. With a paid-up capital of $35,000,000, it had outside loans of $144,000,000. From the standpoint of the safety of depositors' funds this is dangerous. A collapse of sugar prices, or a foreign revolution such as took place recently in Cuba, and which might take place in any South American country, might conceivably place some of our banks in a very bad position. What I suggest is that if the banks want to carry on a foreign business, they should form a separate corporation to transact that foreign business so that the money of the Canadian depositors will not be endangered by what may take place abroad.

[Mr. Coote.]

There are other matters which I think ought to be discussed, and which certainly will be discussed in the committee, but as my time is up those are all the suggestions I can make to the minister and the house to-day. I do hope that some of the matters which I have brought to the attention of the house to-day will be given careful consideration by the minister and by the committee.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, it is scarcely necessary to emphasize the importance of the Bank Act to the national life of Canada at this time. At the last revision of the act I think it was necessary to emphasize it, and there seemed to be difficulty in getting a great many people to believe that it had any such importance. Since that time, however, something has happened in the world, and the information that people have to-day on banking and credit and currency and similar subjects is very much greater than it was ten years ago.

Perhaps it is true to say that the general public to-day fully realize that the national life of Canada is practically in the hands of bankers. The general public know to-day that those who control currency and credit, control the industrial life of the nation, and the depression through which we have been passing, and through which we have not yet passed, has been one great means of education, particularly on the question of money.

There is perhaps no advantage in dealing with detailed amendments on the second reading of a bill which covers a tremendous field of detailed legislation. The previous speaker referred to certain amendments, and I have no doubt that they will be put forward by him at the proper time. I am glad to notice from the speech of the Minister of Finance (Mr. Rhodes) that some of the amendments proposed are those proposed and advocated by this corner of the house some ten years ago. For instance take the amendment to fix the rate of interest. Not only did we move such an amendment in committee at the last revision—I think it was moved six or eight times, beginning with three per cent and moving up one-half per cent until we reached eight per cent—but we also introduced a bill several years ago providing for the fixing of the rate of interest at the rate now proposed. We are glad that these amendments are being brought forward even at this late date. But these are very insignificant things. Other fundamental amendments which we proposed have not been included in this bill and we shall endeavour to bring these forward, as we did when the last revision was made, in the

hope that with the new conviction which has become general among the public as to the importance of banks and their direct effect upon the industrial life of the people, we may perhaps make a little more headway this time than we did previously.

Although the amendments to this act have an importance in relation to policy, they are not the most important thing. The important thing about the Bank Act is the monetary policy which it embodies. So far as I know, the monetary policy of this country has not been altered materially by this bill. It is true that the central bank proposal will affect the Bank Act somewhat since a good deal of power which was exercised at one time by the chartered banks or not exercised by anyone will now be entrusted to it. No doubt the general monetary policy of the nation can be more appropriately discussed when we take up the Bank of Canada Act. I think in this legislation it should be made clear and unmistakable to the chartered banks what is to be the policy to be followed by them in the handling of our internal credit. This bill ought to tell us whether these banks will have to trim down their handling of currency and credit during the next ten years to a preconceived, antiquated and unscientific stupidity known as the gold basis, or whether they are to be allowed to let out the credit of the country upon the basis of the aggregate wealth producing capacity of the nation. To my mind this is a very important feature of the Bank Act. So far as I am concerned I intend to press for these matters both on this bill and on the central bank proposal.

I desire to follow the example of the hon. member for Macleod (Mr. Coote) and place on Hansard certain data to indicate the actual forces which control the financial life, the industrial life and the government of Canada. I do not think it can be said too often that the power that controls our monetary policy, controls the national policy of the state. I desire to put on Hansard certain data to make this fact a little more clear. If we cannot secure any alteration in our financial policy, at least we can place before the people of Canada some of the facts concerning the institutions in question. I intend to make a general survey of the relationship which exists between the Canadian banking system and the business of the country, and in doing this I have followed the example of the previous speaker and have taken three of the larger banks as examples. I hope it will not be taken that we in this corner have any particular hatred or malice against the banks we are mentioning, because this is not so. It is impossible to deal with all of them and we take these three as an example of what all banks are doing.

The Bank of Montreal, the Bank of Commerce and the Royal Bank with their allied trust companies, the Royal Trust, the National Trust and the Montreal Trust have 832 directorships in most of the principal business concerns in Canada. One hundred and eighty-three companies have their presidents or chairmen of the board acting as directors on the board of one of the big three. All the banks and trust companies are interlocked to a greater or lesser degree, although the Bank of Montreal appears to show a somewhat greater inclination to maintain its own individuality. The Bank of Montreal has one director on the board of the Montreal Trust Company, which is practically the Royal Bank. The Royal Bank has eleven directors on the board of the Montreal Trust Company, three in the National Trust Company, which is controlled by the Canadian Bank of Commerce, and two in the Eastern Trust Company, under the control of the Bank of Nova Scotia. The Bank of Commerce has ten directors in the National Trust and two in the Toronto General Trusts. This latter trust company, with assets of $226,000,000 seems to afford a meeting place for the Ontario system, for it has on its board two directors of the Bank of Commerce, two of the Bank of Nova Scotia, two of the Bank of Toronto, three of the Dominion Bank and two of the Imperial Bank. The Bank of Nova Scotia has three directors in the National Trust Company, three in the Toronto General Trusts and three in the Eastern Trust. The National Trust Company has nine Bank of Commerce directors, two Bank of Nova Scotia and three Royal Bank. None of the banks are represented directly on their boards by directors of other banks but the relationship through their trust companies is close and effective. Through the Montreal Trust, the National Trust, the Eastern Trust and the Toronto General Trusts, the Royal Bank, the Bank of Commerce, the Bank of Nova Scotia, the Imperial Bank, the Bank of Toronto and the Dominion Bank are closely interconnected. There is one exception; with a lone director on the board of the Montreal Trust, the Bank of Montreal stands practically alone.

The following information which was obtained from the Directory of Directors for 1933 and the Annual Financial Review for 1932 has to do with the Bank of Montreal and the Royal Trust Company. These two

companies should be considered as one, there being fourteen directors common to both, including the president, Sir Charles Blair Gordon. The capital and reserve of the Bank of Montreal is $76,000,000 and of the Royal Trust Company, $5,750,000. The combined assets of the two organizations total $1,324,000,000. The combined boards total forty-five members who hold 217 directorships in 135 other companies. In forty-six companies the president is on the board of either the Bank of Montreal or the Royal Trust Company. There are also twelve vice-presidents. Sir Charles Blair Gordon is also a governor of McGill university and of the Royal Victoria hospital. Of the 135 companies represented, 69 are commercial, 16 insurance, 19 finance companies—investment and trust—11 power and paper companies, 4 mining and smelting, 8 companies dealing in food products, 2 universities and 2 hospitals. On the boards of the aforementioned 69 companies, the Bank of Montreal, including the Royal Trust Company, is the only bank represented in the directorship of 45 companies, while in 24 companies there are directors of other banks in addition. The Canadian Pacific Railway, for instance, has 14 bank directors, representing 6 banks and trust companies; the Dominion Bridge Company has 11 bank directors, and the Canadian General Electric, 8.

The list of insurance companies shows that there is a large representation of the banks, especially in regard to the large companies. The Mutual Life has 7 bank directors, divided among 7 banks and trust companies; the Sun Life has 11 bank directors; the Canada Life, 7, and the Imperial Life, 10. The banks seem to have agreed to divide up the insurance companies fairly evenly, with the exception of the Liverpool, London & Globe, which controls the Globe Indemnity Company, the Central Insurance Company, the Liverpool, Manitoba Assurance Company, and the National Liverpool Insurance Company; the Bank of Montreal and Royal Trust Company having 10 directors, no other bank being represented.

An examination of the data in this regard will show clearly the manner in which the various banks are interlocked on the boards of the more important business concerns of the country. Now I propose to put on Hansard the actual details in that regard. The following data will show the relation between principal banks and trust companies:

Relation between principal Banks and Trust Companies

Bank directors on boards of Trust Companies

		Directors
Bank of Montreal	Royal Trust Co.	14
	Montreal Trust	1
Royal Bank	Montreal Trust	11
	National Trust	3
	Eastern Trust	2
Bank of Commerce	National Trust	10
	Toronto General Trusts	2
Bank of Nova Scotia	National Trust Co. (Com.)	3
	Toronto General Trusts	3
	Eastern Trust Co.	4
Imperial Bank	Toronto General Trusts	2
Dominion Bank	Toronto General Trusts	3
Bank of Toronto	Toronto General Trusts	2

Trust Company directors on boards of banks

Royal Trust Co.	Bank of Montreal	14
Montreal Trust Co.	Royal Bank	12
	Bank of Montreal	1
National Trust Co.	Bank of Commerce	9
	Bank of Nova Scotia	2
	Royal Bank	3
Eastern Trust Co.	Bank of Nova Scotia	4
	Royal Bank	2
Toronto General Trusts	Imperial Bank	2
	Dominion Bank	3
	Bank of Toronto	2
	Bank of Nova Scotia	2
	Bank of Commerce	2

I turn next to the commercial companies in their relationship to the banks. The following commercial companies are represented on the boards of more than one bank or trust company:

Company	Banks and Trust Companies	Directors	Total
Dominion Textiles	Bank of Montreal	3	
	Royal Bank	1	4
Hillcrest Collieries	Bank of Montreal	1	
	Royal Bank	2	3
Dominion Glass Co. also Imperial Bank	Bank of Montreal	3	
	Bank of Commerce	1	
	National Trust (Commerce)	1	6
Montreal Cottons	Bank of Montreal	1	
	Montreal Trust (Royal Bk.)	1	2
Ritz Carlton Hotel	Bank of Montreal	1	
	Royal Bank	1	2
Canadian Pacific Railway	Bank of Montreal	6	
	Bank of Commerce	2	
	Montreal Trust (Royal Bk.)	2	
	Bank of Nova Scotia	1	
	Imperial Bank	1	
	Royal Bank	2	14
Canadian Bronze Co	Bank of Montreal	2	
	Royal Bank	2	4
Tuckett Tobacco Co. (Imperial Tobacco Co.)	Bank of Montreal	2	
	Royal Bank	2	
	Bank of Commerce	2	6
Paton Manufacturing Co	Bank of Montreal	1	
	Royal Bank	2	3
Dominion Steel and Coal Corporation	Bank of Montreal	1	
	Royal Bank	2	3
Canadian Airways Ltd	Bank of Montreal	2	
	Royal Bank	4	
	Bank of Commerce	3	9
Steel Co. of Canada	Bank of Montreal	2	
	Royal Bank	3	
	Bank of Commerce	1	
	Montreal Trust	1	7
Bell Telephone Co	Bank of Montreal	4	
	Royal Bank	1	
	Montreal Trust	1	
	Royal Trust	1	7
Lake Erie & Northern Railway	Bank of Montreal	1	
	Montreal Trust	1	2
Canadian Pacific Steamships	Bank of Montreal	2	
	Montreal Trust	1	3
Northern Electric	Bank of Montreal	2	
	Royal Bank	3	
	Royal Trust	1	6
Dominion Bridge Co	Bank of Montreal	3	
	Royal Bank	6	
	Bank of Commerce	1	
	Royal Trust	1	11
Canadian Cottons	Bank of Montreal	2	
	Montreal Trust	1	3
Minneapolis, St. Paul and Soo Railway	Bank of Montreal	1	
	Royal Bank	1	2
Canadian Steamship Lines	Bank of Montreal	1	
	Royal Bank	2	
	Montreal Trust	3	6
Hamilton Bridge Co	Bank of Montreal	1	
	Bank of Commerce	2	3
Aluminium Co	Royal Bank	1	
	Bank of Nova Scotia	1	2
Northern Mexico Power and Development Co.	Bank of Commerce	1	
	Royal Bank	1	2

Company	Banks and Trust Companies	Directors	Total
Massey Harris Co.	Bank of Commerce	3	
	National Trust	1	4
Moore Corporation	Bank of Commerce	1	
	Toronto General Trusts	1	2
American Sales Book Co.	Bank of Commerce	1	
	Toronto General Trusts	1	
	Bank of Nova Scotia	1	3
Canada Cement Co.	Bank of Commerce	5	
	Royal Bank	1	6
Consumers Gas Co. (Toronto)	Bank of Commerce	3	
	Imperial Bank	1	
	Toronto General Trusts	1	5
National Breweries	Bank of Commerce	2	
	Royal Trust	1	3
Maple Leaf Gardens	Bank of Commerce	1	
	National Trust	1	2
Keystone Transports	Royal Bank	1	
	Montreal Trust	1	2
Canadian General Electric Co.	Royal Bank	5	
	Bank of Nova Scotia	1	
	Bank of Commerce	2	8
Dominion Engineering Works	Royal Bank	7	
	Montreal Trust	1	8
Canadian Marconi Co.	Royal Bank	1	
	Bank of Commerce	1	
	Montreal Trust	1	3
Canadian Benedict Stone Co.	Royal Bank	1	
	Montreal Trust	1	2
Imperial Oil Co.	Royal Bank	1	
	Toronto General Trusts	1	2
International Petroleum Co.	Royal Bank	1	
	Toronto General Trusts	1	2

I turn now to the financial companies to indicate how they are interlocked. The following investment, holding and trust companies are represented on the boards of more than one bank or trust company:

Company	Banks and Trust Companies	Directors	Total
National City Co. (controlled by National City Bank of New York)	Bank of Montreal	2	
	Royal Bank	1	
	Bank of Commerce	1	4
Title Guarantee and Trust	Bank of Montreal	1	
	Royal Bank	3	
	Royal Trust (B. of M.)	1	
	National Trust	2	
	Montreal Trust	1	8
Montreal City & District Savings Bank	Bank of Montreal	1	
	Royal Bank	1	
	Montreal Trust (Royal Bk.)	1	3
Canadian International Investment Trust	Bank of Montreal	1	
	Royal Bank	1	2
Holt Renfrew and Co.	Bank of Montreal	1	
	Royal Bank	3	4
Montreal Trust Co.	Bank of Montreal	1	
	Royal Bank	11	12
Central Canada Savings and Loan Co.	Bank of Commerce	3	
	National Trust	1	
	Toronto General Trusts	1	5

Company	Banks and Trust Companies	Directors	Total
Toronto Savings and Loan Co.	Bank of Commerce	4	
	National Trust	2	
	Bank of Nova Scotia	1	
	Toronto General Trusts	1	8
Economic Investments Trusts	Bank of Commerce	2	
	National Trust	1	3
Canadian General Investment Trust	Bank of Commerce	1	
	Toronto General Trusts	1	2
Aldred and Co.	Bank of Commerce	1	
	Montreal Trust (Royal Bk.)	1	2
Hydro Electric Bond and Share Co.	Royal Bank	1	
	Montreal Trust Co.	1	2
Anglo Canadian Securities Ltd.	Royal Bank	1	
	Montreal Trust	1	2
United Bond and Share Co.	Royal Bank	1	
	National Trust Co.	1	2
United Securities Ltd.	Royal Bank	1	
	Montreal Trust	1	2
Scottish Trust Co.	Royal Bank	1	
	Montreal Trust	1	2
4th Canadian Investment Trust	Royal Bank	1	
	Bank of Nova Scotia	1	2

Then I turn to the insurance companies. The following insurance companies are represented on the boards of more than one bank or trust company:

Insurance Companies	Banks and Trust Companies	Directors	Total
Royal Exchange Assurance Co.	Bank of Montreal	2	
	Bank of Commerce	1	3
Mutual Life Assurance Co.	Bank of Montreal	1	
	Bank of Commerce	1	
	Royal Bank	1	
	Bank of Nova Scotia	1	
	Royal Trust (B. of M.)	1	
	National Trust (Com.)	1	
	Toronto General Trusts	1	
	Imperial Bank	1	8
Liverpool, London and Globe Insurance Co. (controlling the Globe Indemnity Co.; Central Insurance Co.; Liverpool Manitoba Assurance Co.; National Liverpool Insurance Co.)	Bank of Montreal	7	
	Royal Trust Co.	3	10
Sun Assurance Co.	Bank of Montreal	1	
	Bank of Commerce	1	2
Sun Life Assurance Co.	Bank of Montreal	3	
	Royal Bank	3	
	Bank of Nova Scotia	2	
	Montreal Trust (R. Bk.)	2	
	National Trust (Com.)	1	11
Canada Life Assurance Co.	Bank of Montreal	1	
	Bank of Commerce	2	
	Bank of Nova Scotia	2	
	National Trust (Com.)	2	7
Imperial Life Assurance Co.	Bank of Montreal	1	
	Royal Bank	1	
	Bank of Commerce	4	
	Bank of Nova Scotia	1	
	National Trust (Com.)	2	
	Toronto General Trust	1	10
Canada Indemnity Co.	Royal Bank	1	
	Imperial Bank	1	2
Western Assurance Co.	Bank of Commerce	5	
	Royal Bank	2	7

Insurance Companies	Banks and Trust Companies	Directors	Total
British America Assurance Co.	Bank of Commerce	4	
	Royal Bank	1	5
Confederation Life Assurance Co.	Bank of Commerce	1	
	Imperial Bank	3	4
Great West Life Assurance Co.	Bank of Commerce	3	
	Royal Bank	1	
	Toronto General Trusts	1	5
Fire Insurance Co. of Canada	Bank of Commerce	2	
	Royal Bank	2	
	Montreal Trust	1	5

Turning to the power and paper companies, we find the following are represented on the boards of more than one bank or trust company:

Power and Paper Companies	Banks and Trust Companies	Directors	Totals
St. Lawrence Corporation	Bank of Montreal	1	
	Bank of Commerce	1	2
West Kootenay Power and Light Co.	Bank of Montreal	1	
	Bank of Commerce	1	2
Abitibi Power and Paper Co.	Bank of Montreal	1	
	Royal Bank	1	2
Consolidated Paper Corporation	Bank of Montreal	1	
	Royal Trust	1	
	Royal Bank	1	3
Montreal L. H. and P. Cons.	Bank of Montreal	1	
	Royal Bank	2	
	Montreal Trust	1	4
Brazilian Traction L. and P. Co.	Bank of Montreal	1	
	Bank of Commerce	5	6
Canadian International Paper Corporation	Bank of Commerce	3	
	Montreal Trust	2	5
Shawinigan Water and Power Co.	Royal Bank	2	
	Montreal Trust	2	4
Montreal Island Power	Royal Bank	1	
	Montreal Trust	2	3
International Power Corporation	Royal Bank	2	
	Bank of Nova Scotia	1	3
Canada Light and Power Co.	Royal Bank	1	
	Montreal Trust	1	2
Provincial L. H. and P. Co.	Royal Bank	1	
	Montreal Trust	1	2
Cedar Rapids Mfg and Power Co.	Royal Bank	1	
	Montreal Trust	1	2

The following food companies are represented on the boards of more than one bank or trust company:

Food Companies	Banks and Trust Companies	Directors	Totals
Ogilvie Flour Mills	Bank of Montreal	3	
	Royal Bank	1	
	Bank of Commerce	1	5
Borden's Ltd. and 18 subsidiary companies	Bank of Montreal	3	
	Bank of Commerce	1	
	Bank of Nova Scotia	1	
	Royal Trust	1	6
Northern Bakeries Ltd.	Bank of Montreal	1	
	Royal Bank	1	2
Burns and Co.	Bank of Montreal	1	
	Royal Bank	1	2
Lake of the Woods Milling Co.	Bank of Commerce	3	
	Imperial Bank	1	
	National Trust	1	5
Canadian Canners	Bank of Commerce	1	
	Imperial Bank	1	2

The following mining and smelting companies are represented on the boards of more than one bank or trust company:

Mining and Smelting Companies	Banks and Trust Companies	Directors	Totals
International Mining Corporation (N.Y.)	Bank of Montreal	1	
	Royal Bank	1	2
Consolidated Mining and Smelting Co.	Bank of Montreal	2	
	Royal Bank	2	4
International Nickel Corporation	Bank of Montreal	2	
	Bank of Commerce	2	
	Royal Trust (B. of M.)	1	5

This, of course, is not complete. These are only samples of the interlocking directorates. I turn now to deal with a survey of bank presidents and directors in their personal relations with other companies, and I shall continue as long as my forty minutes last. I begin with the bank of Montreal, its president, vice presidents, directors and so forth, and show that they have similar positions on the boards of other important companies in Canada. This information was obtained from the Annual Financial Review of July, 1932, and the Directory of Directors, of 1933. I may say that the capital and reserve of the bank of Montreal amount to $76,900,000 and the assets, to $748,000,000. The list is as follows:

Sir Charles Blair Gordon, G.B.E.
President
also

Chairman of the Board of Dominion Textiles Co. Ltd.; Penman's Ltd.

President of Hillcrest Collieries Ltd.; Dominion Glass Co. Ltd.; Montreal Cottons, Ltd.; Royal Trust Co.; Ritz-Carlton Hotel Co.

Chairman, Montreal Advisory Committee; National City Co.

Chairman, Canadian Board; Royal Exchange Assurance Co.

Member, Executive Committee; Canadian Pacific Railway Co.

Governor of McGill University; Royal Victoria Hospital.

Director of Canadian Industries, Ltd.; Ogilvie Flour Mills Ltd.; Canadian Bronze Co. Ltd.; Brinton-Peterborough Carpet Co. Ltd.; Dominion Rubber Co. Ltd.; Tuckett Tobacco Co. Ltd.; Standard Life Assurance Co.; Title Guarantee and Trust Corp. of Canada; Montreal Locomotive Works, Ltd.; St. Lawrence Paper Co. Ltd.; Paton Mfg. Co. Ltd.; Borden's Ltd.; Dominion Steel and Coal Corp.; Montreal Light Heat and Power Consolidated; Canadian Airways Co.; Bank of Montreal (France); United States Rubber Co.; International Mining Co. (N.Y.).

Major General the Hon. S. C. Mewburn, K.C.
Vice-President
also

Vice-President, The Huron and Erie Mortgage Corporation.

2nd Vice-President, Steel Co. of Canada; The Mutual Life Assurance Co.

Director of Bell Telephone Co. of Canada; Canadian Bridge and Dock Co.; Hamilton Bridge Co.; Canadian Northern Power Corporation; Tuckett Tobacco Co.; Dominion Glass Co.; Royal Trust Co.

Sir Frederick Williams-Taylor
Vice-President
also

Honorary President, Canadian Bankers' Association.

Director of Liverpool London and Globe Insurance Co.; Montreal Co. of New York, Inc.; Standard Life Assurance Co.; Dominion Textile Co.; Liverpool Manitoba Assurance Co.; Montreal, London and General Investors Ltd.; Bank of Montreal (France); Royal Trust Realty Co.; Royal Trust Co.

Lt.-Col. Herbert Molson
Director
also

President, Molsons Brewery; Montreal General Hospital; Standard Clay Products, Ltd.

Vice-President, Canadian Foreign Investment Corporation Ltd.

Director of Bell Telephone Co. of Canada; Canadian Industries Ltd.; Dominion Rubber Co.; Montreal City and District Savings Bank; Liverpool London and Globe Assurance Co.; National City Co.; St. Lawrence Corporation; Liverpool Manitoba Assurance Co.; Royal Trust Co.

Huntly R. Drummond
Vice President
also

President of Canada Sugar Refining Co.

Vice President of Royal Trust Co.

Director of Canadian Bag Co.; Simmons Co.

Col. the Hon. Henry Cockshutt
Director
also

President of Cockshutt Plow Co.; Frost and Wood Co.

Chairman of the Board of National Sewer Pipe Co.

Director of Bell Telephone Co.; Canadian International Investment Trust; Canadian Pacific Railway Co.; Gypsum, Lime and Alabastine, Ltd.; Niagara Wire Weaving Co. Ltd.; Lake Erie and Northern Railway; International Nickel Co. of Canada; Royal Trust Co.

Canadian Advisory Board of Sun Assurance Co.

Forbes D. Angus
Director
also

President of Guardian Assurance Co.

Chairman of the Board of Standard Life Assurance Co.

Director of Intercolonial Coal Co.; Royal Trust Co.

Harold Kennedy
Director
also
President of Johnson's Co. (Asbestos).
Director of Canadian Foreign Investment Corpn.

George B. Fraser
Director
also
Director of Hudson's Bay Insurance Co.

E. W. Beatty, K.C.
Director
also
Chairman of the Board and President of Canadian Pacific Railway Co.; Canadian Pacific Steamships.
Vice President of Canadian Airways.
Director of Consolidated Mining and Smelting Co.; Postal Telegraph and Cable Corpn.; Royal Exchange Assurance Co.; Waldorf Astoria Hotel; Sun Life Assurance Co.; West Kootenay Power and Light Co.; Royal Trust Co.

General Sir Arthur Currie
Director
also
Principal of McGill University.

F. E. Meredith, K.C.
Director
also
Director of Canadian Pacific Steamships Ltd.; National Steel Car Corpn.; Niagara Wire Weaving Co. Ltd.; Globe Indemnity Co. of Canada; Liverpool Manitoba Assurance Co.; National Liverpool Insurance Co.; Royal Trust Co.

Hon. Thomas Ahearn, P.C., K.C.
Director
also
President of Ottawa Light, Heat and Power Co.; Ottawa Gas Co.; Ottawa Electric Co.; Ottawa Traction Co.; Ottawa Electric Railway Co.; Ottawa Building Co.; Ottawa Investment Co.; Ahearn and Soper Ltd.

I wish he would run the street cars a little better.

Director of Bell Telephone Co. of Canada; Canadian Westinghouse Co.; Guarantee Co. of North America; Northern Electric Co.; Royal Trust Co.

J. W. McConnell
Director
also
President of St. Lawrence Sugar Refineries.
Chairman of Borden's Ltd. of Canada.
Director of International Nickel Co. of Canada; Brazilian Traction Light and Power Co.; Dominion Bridge Co.; Dominion Rubber Co.; Holt, Renfrew and Co.; Montreal Light, Heat and Power Consolidated; Ogilvie Flour Mills; Sun Life Assurance Co. of Canada; Borden Co.; Royal Trust Co.

Wm. Black
Director
also
President of Ogilvie Flour Mills; Ogilvie Grain Co.; Montreal Cold Storage Co.; Dunkeld Securities Co.
Vice-President of Abitibi Power and Paper Co.; Canadian Foreign Investment Co.; Consolidated Bakeries Ltd.; Northern Bakeries Ltd.

[Mr. Irvine.]

Director of Belding Corticelli Co.; G. A. Fuller & Co. of Can.; Intercolonial Coal and Coke Co.; Cia. Brasiliera de Cimento Portland (S.A.); Canadian Pacific Railway Co.; Montreal Trust Co.; Consolidated Mining and Smelting Co.; Dominion Textile Co.; Canadian Cottons Ltd.; Ste. Anne Paper Co.; Murray Bay Paper Co.; Royal Trust Co.
Member Advisory Board of National City Co.

A. O. Dawson
Director
also
President of Canadian Cottons Ltd.; Belding Corticelli Ltd.; Dominion Woolens and Worsteds Ltd.; Cornwall and York Cotton Mills Ltd.
Director of Anglin Norcross Ltd.; Crown Trust Co.

W. N. Tilley, K.C.
Director
also
Director of Canadian Pacific Railway Co.; Minneapolis, St. Paul and Sault Ste. Marie;

Canada Life Assurance Co.; Royal Trust Co.

Hon. Patrick Burns
Director
also
Chairman of the Board of Burns and Co. Ltd.
Director of Dominion Bridge Co.; Imperial Life Assurance Co.; Calgary and Edmonton Corp.; Royal Trust Co.

Christopher Spencer
Director
also
President of David Spencer Ltd.
Vice-President of British Columbia District Telegraph and Delivery Co.
Director of Pacific Coast Fire Insurance Co.; Great Eastern Railway Co.

Ross Huntington McMaster
Director
also
President of Steel Co. of Canada.
Vice-President of Dominion Glass Co.
Director of Consolidated Mining and Smelting Co.; Canadian Steamship Lines Ltd.; Canadian Bronze Co.; Canadian Pacific Railway Co.; Dominion Rubber Co.; Sun Life Assurance Co.; Canadian Pratt and Whitney Aircraft Co.; Northern Electric Co.; American Iron and Steel Institute; Dominion Bridge Co.; Consolidated Paper Corp.; Royal Trust Co.

That deals with only a few of the directors of one bank. I have not time to put on the record the directors of the other banks which I have here we shall have to be content with these as a fair sample. Surely, Mr. Speaker, the time has come for the government of Canada to arrange that the consumers of Canada, the general public, have some representation on the directorates of the financial institutions of this country. Attention has already been drawn by a previous speaker to the fact that the farmers have no such representation, and I should add the fact that neither have the labouring people of this country.

I hope that the government in this revision of the Bank Act will take account of the data that I have placed on Hansard indicating who are in control of our financial and commercial institutions, and will take whatever steps may be necessary to give representation to the general public, that they may take part in directing the financial policy of Canada.

Mr. H. E. SPENCER (Battle River): Before this bill receives second reading I would like in a few words to indicate something of its importance. The two previous speakers have outlined very clearly to the house the tremendous hold on our whole financial machinery of a small group of men through interlocking directorates. I think from the information already given to the house one can readily see that, when all is said and done, unless the government is very strong indeed and is prepared to take a very definite stand in the interests of the public it will in all probability play second fiddle in comparison with the enormous power of organized finance. The issue of money in Canada is a government prerogative, but we must recognize at present our money, although comprising coin and currency is to the extent of 96 per cent simply a matter of bookkeeping; and that the control of this credit has practically been turned over to the banking fraternity, which can create money in large volume by making loans and can take money out of existence in large volume through the cancellation of loans. Therefore we can see the power they have in increasing or decreasing prices and to that extent affecting the entire economic life of the country. Under the Bank Act the banks have certain definite privileges given them. They have for instance the privilege of making money to the extent of issuing in the form of notes an amount equal to their paid up capital. Also for six months in the year they can issue an additional amount equal to 15 per cent of their paid up capital and reserve. They have also the privilege under the Finance Act of taking a variety of securities to the treasury board depositing them as collateral, and getting dominion notes for a certain charge. These dominion notes can either be put into circulation or they can be kept in the bank's safes as most of them are, in the shape of large legals to be used in settling balances between themselves. Or if they wish, they can take these dominion notes and deposit them in the central gold reserve in lieu of gold and issue their own notes or promises to pay against them. These are the definite privileges given to the banks as far as putting money into circulation is concerned. but there is nothing said in the Bank Act, as far as I can find, with regard to putting money into circulation other than by those three methods. We know, however, that a great deal more of so-called money is put into circulation, largely by the extension of credit by the banks, secured on the assets of their clients, which means new money written into existence. I have in my hand a statement showing the total amount of all money, that is notes and subsidiary coin, in Canada on December 31, 1933. It amounts to $349,594,078. At the same time there was on deposit in the banks of Canada, $2,242,222,079. Deducting the total cash from the total deposits leaves a difference of $1,892,628,001. Now if any one is caught increasing the amount of money in existence by counterfeit note or turning out fictitious coin, he is severely punished. But at the same time we find that banks are allowed by the issue of credit against collateral to increase the amount of money, up to nine or ten times the amount of the actual ordinary money in existence. I can find nothing in the Bank Act that gives them this privilege. They have just taken it and been allowed to carry it on.

But although in most cases the money thus written into existence is only bookkeeping entries, at the same time interest is charged to the clients of the bank for it just as if the bank had lent actual money belonging to the bank. The credit that is extended really belongs to the individual or the community but borrowers have to pay interest on it just as if it were money belonging to someone else. The banks really are credit agencies, and the sooner we recognize that fact the easier it will be to understand our financial system. I have before me a brief statement by a very eminent banker who is often quoted in this house, in support of the statement I just made. Right Hon. Reginald McKenna said:

> The amount of financial credit in circulation in any country depends entirely upon the actions of its bankers in creating and issuing it and in retiring and destroying it.

Mr. McKenna is one of the great bankers of the world, and he speaks very freely indeed with regard to what is done and what can be done in regard to our monetary system.

Section 75 of the Bank Act, which allows banks to put notes into circulation, makes no reference at all to the development of the credit structure. It is easy to see, therefore, that with the power the banks have of increasing the amount of money in circulation at any time or in other ways bringing on

boom times or inflation, or at another time withdrawing money from circulation, they play an extremely important part in regard to credit and therefore prices. The hon. member for Macleod (Mr. Coote) quoted some figures that were given by the Secretary of State (Mr. Cahan) in Toronto some months ago; he said that between September, 1929, and September, 1933, the banks made a reduction in the total money in circulation in Canada amounting to some $932,000,000. I did not think it was quite that much, but I will accept the figures given by such an eminent witness. It is easy to see, therefore, that the banks, with the power they have, can increase or decrease business much more than can be done by a government. They can make business or they can break business. They can bring on inflation or they can intensify a slump. I bring to my support another eminent banker; I delight to bring men who are prominent in the banking world to support my statements on some of these occasions. This time I am going to quote from Sir Basil Blackett's interesting book Planned Money, in which he says:

> Is twentieth century Britain content to make continued use of a monetary system which has so conspicuously failed her in the past and is admittedly liable in the future to present her again and again with the disastrous sequence of boom, slump, boom, slump?

It is with the idea of trying to get away from this sequence of boom, slump, boom, slump, that to-day we are advocating that greater care be taken in revising this Bank Act so that it will be made impossible in future for Canada to be put through the difficulties that she has been put through in the past. When all is said and done the banking business, being a private business, naturally has as its first aim the making of profits for shareholders. The second interest probably would be the encouraging of the business of their interlocking directorates, many of which have been mentioned in the house to-day. I was quite interested the other day to hear the Minister of Finance (Mr. Rhodes) support this statement as to the natural aim of the banking fraternities. At page 826 of Hansard the minister said:

> No purely profit making institution operating in a competitive system can afford to place social interests before its own in regard to credit policy. This, I think, is obvious. Nor can the management of such a body be expected to regard the maintenance of the monetary standard, for example, as a duty prior to its obligations to its stockholders.

It seems to me that puts the whole thing in a nutshell. How can we expect the banking fraternities, built up entirely as private corporations with the incentive of profit for their shareholders, to take a real interest in the public welfare as a first consideration? To show that we are supported in these contentions by people other than farmers I should like to place before the house some statements sent me the other day by a very eminent man who for many years was employed in a bank. Here is what he says:

1. There is no law restricting the amount which may be loaned to directors.
2. There is no minimum amount fixed which may be loaned to any one customer.
3. There is no distinction made between shareholders' funds, commercial deposits and the savings of the thrifty.
4. There is no legal requirement as to the amount of cash reserves a bank shall carry.
5. There is no law to prevent any bank from wrecking itself by over-expansion or by permitting the bank's funds to be used in the speculations of a favoured clique.

Such statements as these, coming from a man who was inside of a bank for many years, should be worthy of consideration, and these matters should be and I hope will be taken up when this bill is considered by the banking and commerce committee.

We often hear the bankers tell us that they have to be so very careful indeed with regard to their investments and loans because all the money that is placed with them, largely by widows and orphans, is held in trust. This amuses me, because when all is said and done these poor widows and orphans certainly do not receive first consideration when a bank goes into liquidation. This is what happens in such a case: The first call on the assets of the bank is the private notes of that bank, or in other words their "promises to pay," that may be outstanding in the hands of the public. The second call is the balance due the Dominion government. The third call is advances under the Finance Act. The fourth call is the balance due to provincial governments. Fifth call is the deposits by the public payable on demand, and those are not usually the deposits of widows and orphans. The sixth call, under which the money deposited by widows and orphans would come, is the deposits of the public payable after notice. There are various other calls coming after that, but I just want to point out that the statement that the deposits are so well looked after because in many cases they belong to widows and orphans does not seem to be borne out by the facts, since those deposits must take sixth place with regard to the assets of the banks in case of liquidation.

I notice, Mr. Speaker, that under the proposed legislation having to do with the central bank, five per cent of the deposits of

the chartered banks must be kept with the Bank of Canada, and the Dominion government guarantee these deposits of the banks in case the central bank is closed. After reading it I have wondered why the banks themselves have opposed so strenuously the guaranteeing of the deposits placed with them. It seems to me, however, that deposits, savings deposits particularly, are not of great interest to the banking fraternity. At least they are a liability, and I can never understand why the banks advertise for deposits from one dollar and upwards. It seems to me that they must use it as a smoke screen to cover up their greater activities, because far the greater part of the banks' business is distinctly writing money into existence through loans; in other words, a bookkeeping business, and just so long as the people can be led to continue to think that the money the banks lend is the money that was left with them by depositors, just so long can the banks get away with that sort of thing.

I should like to say a word with regard to the relationship between agriculture and the banking system. Whether we like it or not, agriculture is our most important basic industry. For many years, probably ever since Canada has been a country, agriculture has had no easy row to hoe, and it has been made a great deal harder because, unlike many other businesses, it has not been able to make use of credit through our banking system to the extent it would have had we really been in earnest about the development of agriculture. Anyone who has taken any interest at all in agriculture for the last twenty years knows full well that even when farmers could get loans from the banks they were very unsatisfactory. For instance, it has been a crying shame for years past that the banks have charged the farmers such a very high rate of interest. We were told in 1923 that the average rate which the banks were charging farmers at that time was eight per cent. That was one per cent more than the legal rate, and the bankers were getting away with it because there was no penalty clause in the Bank Act to penalize them if they charged more than seven per cent.

I hold in my hand a copy of a note due to the Imperial Bank of Canada for the sum of $270.10, payable by a man named Hutt, and it calls for interest at the rate of nine per cent both before and after maturity until paid. The man who wrote to me from a lawyer's office says:

The Imperial Bank did their utmost to secure a renewal of this said note at the same rate of interest. Failing this they brought suit for the amount at seven per cent interest, no doubt knowing full well by virtue of the privy council decision that they could only collect interest at the rate of five per cent.

I notice that during the last year it has been general throughout Canada for banks to cut down the interest rate to farmers to seven per cent. The reason for this, I take it, is quite simple. The government took action a year ago, and I congratulate them upon what they did, in cutting down the interest on post office savings half of one per cent with the idea of making money cheaper throughout Canada and encouraging the banks to lower their rate of interest. The banks followed suit by reducing the interest rate on their deposits by half of one per cent, and passing that reduction on to some of the people to whom they made loans. This meant that where they had been charging eight per cent the rate became seven and a half per cent. As sufficient interest was being taken throughout Canada in the matter to encourage the government to appoint a royal commission to investigate our whole banking system, and to travel from one end of the country to the other to inquire into all phases of banking, the banks apparently reasoned along this line:

Here we have cut down the interest rate to seven and a half per cent. The legal rate is seven per cent. So we are only losing half of one per cent for the time being if we cut the rate down to seven per cent, to come within the law.

So just before the commission started travelling through the country it was given out by the banks that so far as agricultural loans were concerned only seven per cent would be charged. I feel perfectly sure that had the government not taken action, in the first place, cutting down interest on post office savings deposits half of one per cent, and encouraging the banks to do the same, and secondly, by appointing the royal commission to travel throughout the country investigating the whole system of banking, our farmers would still be paying eight and probably nine per cent interest as they had done in the past.

Anyone who understands the history of agriculture in this country knows very well that even seven per cent is far too high a rate for agricultural loans. Not only that, but the terms are too short. The farmer needs three sorts of credit—short term, intermediate and long term credits. It may be taken for granted that we do not expect banking business to take care of long term credits, but at least they could take care of short term and intermediate credits. They have to a certain

extent taken care of short term credits, but at too high a rate of interest, and there has always been great uncertainty in the farmer's mind as to whether he would get his note renewed. A three months' note might be absolutely useless to the farmer, but if it was renewed twice he would probably be all right. If, however, he is not sure that it is going to be renewed and takes the risk of getting a loan for a short term and then gets it cancelled at the end of the three months, his whole business is thrown into chaos and he had far better never have gone to the bank at all. Because interest rates have been too high in the past and because the terms of the loans have been too short, agriculture has been handicapped, and in addition there has been the uncertainty as to renewals, all of which has brought about a relationship between banking business in Canada and agriculture which certainly is not in the best interests of this country.

I am very glad indeed that the government has seen fit to bring down legislation to set up a central bank, and at another time I hope to congratulate them on doing so. I do hope that the central bank will be given authority over our present banking institutions, which in turn will see that every sort of industry in this country gets fair consideration in the matter of the use of credit. If the bank fails in that, it will fail indeed.

In the new Bank Act as presented to us I notice that section 91 has been amended and imposes a very severe penalty on the banks if they charge more than the legal rate of interest. I would like to remind the house that this suggestion was brought forward in 1923 but was turned down by the house by a majority of 91. A bill along the same lines was introduced by myself in 1931 and again in 1932, and in both cases the bill was refused. I congratulate the government of the day and those responsible for bringing in this amendment to the Bank Act which does exactly what we asked for, first of all, eleven years ago.

In expressing the hope that a very careful study will be given to this Bank Act, I would like to point out that we should recognize the proper function of money. If the money system is going to do its work properly, there must be enough at all times to enable goods and services to be transferred from producer to consumer. Just to the extent that we are short at any time or that we have too much at any time, just to the extent that we have to reduce prices or increase prices unnecessarily, to that extent we fail in our banking legislation.

[Mr. Spencer.]

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, nothing less than the tremendous importance of this subject would warrant my attempting to add anything to what has been said already by my colleagues in this corner. One of the most difficult things which a member of this house can do is to attempt to bring before the house and the country his conviction with regard to matters of this kind. I notice that there are about thirty hon. members present in the house at this moment; there are two newspaper reporters in the gallery and a few odd visitors. Under such circumstances one might be inclined to say: What is the use? The government has a majority and has made up its mind with regard to this matter; all that a private member can do is to talk, and it would not seem as if our talk had much prospect of reaching a wide public. But notwithstanding all this, I do not think we should be performing our duty as representatives of the people unless we did our utmost to call attention to what we believe to be the real facts of the situation.

As I understand this bill, it is an attempt to maintain the status quo of the banks. There may be some slight modification of the existing legislation, but the whole purpose of the bill is to give to the banks for another ten years the powers which they now enjoy. Ten years is a long period in the history of a nation, and I should like to warn the government that as far as some of us are concerned, if we are given an opportunity we will refuse to continue these privileges for another ten years. We will take advantage of the first opportunity to curtail those privileges which have been given unwarrantedly to the banking fraternity. While I have frequent occasion to attack the banking institutions, I have no animus against the men who are engaged in that business. There are some who rather imagine that if the C.C.F. ever had the powers of government we would take all bank managers and string them up to lamp posts or something of that kind. I can assure my banking friends that we have no such ideas. If we ever succeed, as I think we shall some day, in establishing a national banking system, we will need a great many of the present bank managers to conduct that system. I think I can go further and say that under a national banking system the bank clerks will receive a little more remuneration than they do at the present time from the private institutions.

Mr. GARLAND (Bow River): And the right of free association.

Mr. WOODSWORTH: As the hon. member for Bow River (Mr. Garland) says, we shall be glad to give them the right of association. We fought for this at the last revision of the Bank Act, and I hope it will be granted at this revision.

It seems to me that we are making a last desperate stand for the maintenance of what remains of democracy. Most of us have been taught, and perhaps are accustomed to think, that we in British countries have gradually attained a very large measure of self-government. We have been told that the absolute right of kingship was curtailed at the time of the magna charta. We were told that later on responsible government was secured. Many of us in our innocence have had the idea that to-day we are living in a democracy. Unfortunately we may have the form of a democracy, but to a large extent we are losing all that which makes a democracy worth while. It is a curious thing but as one studies the development of social institutions one cannot but note that the form persists long after life has fled. For example, at the beginning of our sessions we have what is known as the king's speech, or, in Canada, the governor general's speech. In the old days the king was a very powerful individual. Richard Cœur de Lion was a great warrior who rode at the head of his hosts. In those days when a king called his parliament together he told them how he intended to tax them. That was the king's speech which has been perpetuated in the governor general's speech. But we all know that the king himself, or in the case of Canada, the governor general, does not decide the policy of the country. He has his advisers and we recognize, as we put it so often, that the speech is put into his mouth. The man responsible for the speech is the prime minister. We keep up the old form but we all know that there has been a shifting of power away from the king or his representative to the prime minister and his cabinet who are theoretically responsible to the house.

I submit that there has been another shifting of power. In recent years there has grown up behind the political power, a financial and economic power. To-day the financial power is much stronger than the political. We in this house decide on certain political matters, but they amount to very little in view of the real power resident in the banks and the large transportation and industrial offices of this country. It is quite true that parliament must still register legislation, that parliament must still formally grant charters, that parliament must still formally confer privileges, but we are becoming mere automatic registers of these things. Theoretically the banks would have no power unless they came to this house to obtain that power but we all know perfectly well that in practice they simply come here and demand it. We give it to them and legalize what is actually already in effect. For one, I do not propose to have the position of the banks legalized without my making a protest.

I believe that gradually throughout the country the realization is growing that we are not in reality a democracy but are controlled by a very small oligarchy. Any one who listened to the reading of the long lists of interlocking directorates given by the hon. member for Macleod (Mr. Coote) and the hon. member for Wetaskiwin (Mr. Irvine) must realize that the small group of men who control our banks—there are only ten banks in this country—also control correlated financial institutions. They also control the main industrial and commercial concerns of this country. A great many of these selfsame men are on our leading educational institutions, our universities; they control our press, and so on. So that a situation has developed in which a comparatively small clique of people practically control the industrial, commercial and educational life of the country. Further than that, in my judgment—and I think that anyone who has sat here for a number of years will reach this conclusion by watching the legislation—these same men to a very large degree control the policies of this house. We have therefore what is coming to be an impossible situation. We in this house go through the forms of granting power already held, and the banks will go on feeling quite sure in their position of deciding the destinies of this country.

It was only the other day that members of the C.C.F. were accused of being materialistic in their point of view. Well, I recall in that connection some words of the late Sir Edmund Walker uttered, if I remember rightly, at the time of the last revision of the Bank Act. He said:

> The chief duty of the executive officers of a bank is to make dividends for the shareholders. All industrial efforts of men are based on self-interest, and not on any recognized or intended plan of cooperation. In discussing the relations of banking to other industries, I recognize selfishness as the basis of those relations.

It is very well I think to remember that this is the basis on which to-day our oligarchy runs the affairs of this country. But while undoubtedly the banks have made a good deal of money out of the country, I would not allow this opportunity to pass without calling attention to the fact that they have

suffered enormous losses as well, which losses could be covered up only by their enormous profits. The main consideration however is not so much the money actually made for the shareholders of the banks; it is rather the power of control that is vested in the directors. Take the question of loans made to the directors. I have in my hand a newspaper clipping which I shall quote, and I fancy the situation is practically the same as it was on October 31 of last year. The bank returns at that time showed:

Under the heading: "Aggregate amount of loans to directors and firms of which they are partners, and loans for which they are guarantors," appear the following amounts credited to or charged against the banks cited. The figures are given in the ascending order:

Banque Canadienne Nationale..	$ 331,803
Imperial Bank of Canada.. ..	414,255
Banque Provinciale du Canada.	642,416
Bank of Toronto..	805,965
Dominion Bank..	1,158,830
Bank of Montreal..	1,302,949
Royal Bank of Canada..	2,458,215
Bank of Nova Scotia..	3,017,986
Canadian Bank of Commerce..	4,615,328
Total..	$14,747,607

The only bank reporting no such loans is Barclay's Bank, a British institution. The average amount of such loans per bank is $1,638,623, and the average paid-up capital is $16,000,000, so that approximately 10 per cent of the average capital has been loaned to directors, and firms to which they are partners and upon the strength of their guarantees.

It is not much wonder therefore that the article is headed "It is good to be a Bank Director." Perhaps it will be said that it is only a few disgruntled people who have any quarrel with the present banking system. I would point out that the difficulty is to have the majority of the people present their point of view in any way that would make it effective. At the last revision of the Bank Act, it will be remembered, the bankers' association spent no less than $100,000 in lobbying. That fact came out at the time of the failure of the Home bank, and those of us who were on the banking and commerce committee will recall that a number of the very best lawyers in Canada were there day after day, week after week, acting in any way that might seem of service to their clients. While they were not permitted to participate in the actual discussions, they were there to advise. I am not suggesting that there was anything that might be called illegitimate in the work they carried on, but I point out that it is difficult for the people, unrepresented by counsel, the great mass of the producers and consumers of the country, to face a lobby of that sort. But even had we succeeded in getting anything worth while embodied in the bill, the bill had to go to the Senate and there it would have received I am afraid rather rough handling. I remember meeting one of the bank lobbyists just after the bill had passed the Commons and I said, "I thought you had gone home." He replied laughingly, "Oh no; we have gone to the Senate now." There is the situation as it exists in practice—a group of people, many of whom are directors on these various institutions, in a position to veto whatever is done by the elected representatives of the people.

Under these circumstances it is no use closing our eyes to the fact that it is difficult to get enacted any legislation that would be of service to the great masses of the people. In the various investigations held either at the time of the Bank Act revision or in the next year or two my eyes were opened to the fact that very few people were free to come out in criticism of the banks. Again and again business men, some of them of fairly high standing, would come to me and represent the situation in which they found themselves with regard to the securing of credit from the banks. I said to them, "Will you come and tell that to the committee?" The reply would be, "Not on your life; the banks would immediately cut off our credit." I am not prepared to say whether that statement is correct or not, but I do say that these business men felt that to be the situation; and in those circumstances, to put it frankly, they dared not imperil their business by coming forward and giving evidence before the committee. So that it is extremely difficult to get the point of view of the great majority of the people adequately placed before this house, or placed in such a way as to receive any great consideration.

Moreover, we must remember that our banking system operates frankly in the interests of the commercial classes, and of certain of the commercial classes at that. Mention has already been made to-day of the fact that there is not adequate provision for the granting of credit to farmers. In fact, the present commission, after it had discussed the need of a central bank, contented itself by saying that it would be a good thing for another commission to be appointed to look into the question of agricultural credits. That is as far as we have got. So far as the great mass of the labour people of the country are concerned there is no hope of their getting consideration from the banks. If a labour man or a small business man wishes to build a house there is no chance of his getting anything from a bank. Under our system we have

no other provision by which a building loan may be advanced. If a poor man wants even to buy a little furniture and has not the ready cash, he has now to resort to one of the small loan companies which charge him an exorbitant rate of interest. I did not speak at length on the bill that was before us the other day in regard to a small loan company which was trying to secure a charter, but may I say now that when we are asked to give a charter to such a company, it is an indication how inadequate present arrangements are for helping out the small people who so much need assistance at the present time.

If the policies for which the banks are so very largely responsible had actually resulted in prosperity in this country, I suppose the great majority of the people would be comparatively content. But the present depression in Canada, as, of course, in other countries, is to no small extent the result of the wrong, the fatal policies of the banks, and so an increasing number of people are coming to believe that the only possible way of getting out of this depression and keeping out of another is through the people themselves in some form or another taking over the control of currency and credit.

This brings us to the whole question of money, and here again I think most of us are confused, because years ago we were accustomed to thinking in terms of metallic money. Nearly all of us have come to think in terms of either metallic money or bank notes; few of us have realized the importance of the new types of money which have been used so extensively in more recent years. There is a great deal of talk about the gold standard, and many of us still think currency is based on gold. Surely some of the statements that have been made by the Prime Minister (Mr. Bennett) and the Minister of Finance (Mr. Rhodes) in recent months have convinced most Canadians that currency is not directly related to gold. Still the old ideas keep reasserting themselves and give rise to a dangerous fallacy. Our present currency is not directly related to gold. For years the total issue of currency has not been related to gold because we have the Finance Act under which currency has been issued quite independently of gold reserves. Further, we think in terms of bank notes and we seem to believe credit can be given only as there is a big supply either of gold or of bank notes. Again that is a misrepresentation of the real position. The Prime Minister himself is very fond of talking about the banks as being "custodians of the deposits of the people"; that is one of his pet phrases, and he has left the impression that the banks lend out only the depositors' money. Although that matter has been touched upon once or twice this afternoon, it is worth while emphasizing that that is not the case. Hon members opposite have ridiculed us because very often we quote such authorities as the Right Hon. Reginald McKenna. I shall not quote him again, although I have under my hand a volume of his writings. But I should like to quote a paper from my own city, the Winnipeg Free Press, which sometimes has criticized me and my colleagues very severely for having woolly ideas about money. This is what the Free Press itself said on March 7, 1933:

> The little preachment of the bankers, with which the world is so familiar, that they can only lend the money that is given them to take care of, and therefore they must be very, very careful, no longer fits the facts in any country. . . . The outstanding development of modern banking has been the enlargement of the functions of the banks from being curators of money to creators of it, through the granting of credits which take the form in the banking books of deposits indistinguishable from deposits made in real money, but which are in fact merely the documentary record of a speculation upon which the bank has embarked.

This is such an important matter that I should like to read once more from that very interesting statement made a few weeks ago by the Secretary of State (Mr. Cahan) in his address before the Canadian Club of Toronto. I shall not say that there is anything new in what he said, but it is rather extraordinary that this should come from a gentleman on the government benches. I am going to take the liberty of reading again a few paragraphs from his excellent address and to comment upon them as I go along. He said:

> The prevalent conception that bank deposits may only be created by actual deposits of specie, or its equivalent in dominion notes or foreign exchange, is quite erroneous.

But that has been precisely the impression left by many a speech of the Prime Minister. The Secretary of State points out that that is an entirely erroneous impression and he goes on to give his reasons for so saying:

> The bank returns for September 30 last disclose that the banks held only $49,000,000 in specie and $127,200,000 in dominion notes, or a total of approximately $176,000,000 in specie and notes, while their current loans and discounts were $1,428,000,000—

If that is all they held, how could they give out so much more? I recall that one of the witnesses before the banking and commerce committee ten years ago, dealing with this point, said: "It is a very good thing

that a little money goes into the banks, or people would wonder how so much comes out". The Secretary of State continues:

—which was a reduction of $932,000,000 in the amount of current loans and discounts on September 30, 1929. Such a large reduction in outstanding current credits would seem to indicate that the industrial and commercial activities of Canada have been reduced or restricted by nearly 40 per cent since September, 1929.

The reduction of those activities is indissolubly bound up with the financial policy of the banks and over that financial policy this government has no control and will have less under the legislation proposed with regard to the central bank. I go on to quote what I think was quoted by the hon. member for Macleod (Mr. Coote):

The aggregate of these loans, by which the bulk of all deposits are created, largely represents advances of credit made by the banks to their customers.

Again:

The credit extended by the Canadian banks is secured in less than one-fourth part by the capital and surplus of the banks, but largely by the good faith, property, administrative efficiency and business capacity of the customers to whom such loans are made.

Many of us, if we have occasion to go into a bank to borrow money, have the idea that there must be a great deal of gold in the vaults and a large stack of bank notes in the tills, or else we would never be able to get any money out. As a matter of fact if a farmer goes to borrow money from a bank the first question asked him is: What is your security, what is your collateral? And the farmer has to deposit certain security. Then he is handed a pass book and given a line of credit, and he may write cheques to the extent of the line of credit granted to him by the bank. Every time he signs a cheque for $10 he thereby creates $10 of new money; not the bank's money but money that the bank permits him to create. In practice it may be necessary for the bank to have a little till money to cash odd cheques that come in, but if we did our business wholly by the cheque system—and it was said in the banking and commerce committee eleven years ago that ninety-six per cent of the business of this country is done by the cheque system—if we did it all in that way I submit that that transaction of the farmer borrowing money from the bank could be done in an empty room; there need be no deposit of gold or bills. The bank does perform a valuable function, that of making investigation into the standing of the farmer and the possibility of his repaying the loan.

[Mr. Woodsworth.]

Mr. NICHOLSON: Why should he repay it at all?

Mr. WOODSWORTH: I will go on with my argument. The bank performs a valuable function in assessing his customer's ability and in underwriting him; there is no doubt of that. But my point is that the money is not necessarily money deposited in the bank by someone; it is credit based on securities. I want to say very clearly that I am not suggesting that the banks can carry on that process to an unlimited extent; I know they cannot or they would court failure. But I say that such transactions are commonly misunderstood, even by members of this house. Hence let me read the clearcut statement of the Secretary of State.

The creation and issue of money was in former times the prerogative of the sovereign. In a more primitive society money consisted exclusively of metallic coins. Later governments began the issue of paper notes, redeemable in metallic currency, and these notes were declared by decree or by statute law to be legal tender in payment of all liabilities.

In more modern times the invention and adoption of the cheque system has effected a radical revolution in monetary policy. The cheque has now largely usurped the function of metallic coins and government notes as currency.

Under the modern banking practice a bank customer, instead of withdrawing his loan in bank notes and metallic currency, receives a credit entry in the books of the bank for the amount of the bank's loan, as if it were a deposit made by him in his account with the bank.

I call attention to that phrase. He receives a loan and he is credited with that amount as if it were a deposit. The bank regards it as such, publishes it as such; but in reality it is a loan.

Against this credit in the bank's books of account the customer draws his cheques. The customer's cheque, which is an order on the bank for the payment of money to the payee of the cheque, merely results in the transference of the credit, which has previously been granted by the bank, from this customer's name to the name of another customer in the same or another bank's books of account. In case the payee of the cheque so drawn keeps his banking account in another bank, the two banks, in the larger cities and towns, daily adjust their balances through the clearing house.

The result is that, in modern practice, 70 to 80 per cent of the aggregate of all deposits, shown in the Canadian bank returns—

Note that.

—represent in reality the amount of loans made by the banks and then outstanding.

A few deposits are cash deposits made with the bank, but seventy or eighty per cent of the so-called deposits consist in reality of loans.

Then there follow these figures, already given by my friend the hon. member for Macleod:

On September 30 last the Canadian chartered banks held deposits by the public, payable on demand in Canada.. .. ..$	491,783,798
Deposits payable after notice or on a fixed day in Canada.. ..	1,372,184,120
Deposits elsewhere than in Canada..	296,878,318
Balances due dominion and provincial governments.. .. .	99,506,094
Total deposits in the chartered banks of Canada.. .. .. ..$	2,260,352,330

This aggregate of deposits on September 30 last was $436.500,000 less than the average amount of deposits during the year 1929.

Since the cheque system has been adopted, the difference between the amount of cheques paid into a customer's account at his bank and the cheques drawn by the customer and paid out by the bank, represents a sum of money which the customer owns, but nevertheless this money does not exist except in the accounts of the customer's bank.

Let me repeat that—it is well put:

. . . this money does not exist except in the accounts of the customer's bank.

Then a little further on he continues:

The cheque system, which has been developed, enables the banks to create money without the issue of their printed notes. On September 30 last all the Canadian banks had $141,000,000 of their own notes in circulation, while the aggregate of bank deposits was $2,260,000,000.

I wonder how long in this house we will have to endure having prominent members of the house talk to us as if we were fools enough still to believe that the banks lend out only what are called deposits.

One other quotation:

But the cheque system, which now prevails, enables the banks, as I have stated, to create credit money at will for many hundreds of millions of dollars in excess of their note issues. $1.428,000,000 of such credit money was issued and outstanding on September 30 last. In comparison with this bank credit money, the amount of all other money in circulation is quite insignificant.

My point is this; that being the situation, the banks have a tremendous power in their hands. They can practically create money, give that money to their directors or to their friends, and withhold it from their competitors; they can lend it where it may bring the largest return to the shareholders of the bank, and withhold it when it is asked for undertakings that are of most advantage to the public. The control of credit ought not to be allowed to remain any longer in the hands of private corporations, but rather should be regarded as a public utility.

There is one other and perhaps even more serious aspect of the situation. According to all economists the amount of money in circulation has a very real relationship to the price level. I will not say that the price level is wholly dependent on the amount of money in circulation and its velocity of circulation, but I do say there is a very close connection. My contention in that regard is borne out by the report of the Canadian Macmillan commission, which I need not take time to read. It is not merely a question of the amount of gold we have, or of the amount of bank notes in circulation; much more is it a question of the amount of these so-called deposits or loans which are in existence, because these three put together practically determine the sum total of money in circulation. It is true that directly or indirectly the government has control over the issue of bank notes, but the government has no control whatever of the extension or the restriction of credits, and it is credits that constitute the most important factor in this question.

Perhaps one may say: What does the price level mean? It means in practice the measure by which we determine the value of everything. May I use an illustration? Our ordinary yardstick is very carefully preserved at Greenwich, so that it may not shrink or expand by the smallest fraction of an inch; it is an unvarying standard. Our financial yardstick is the dollar, but as someone has said, that yardstick is a rubber dollar. It may expand or it may contract, and to a very large extent it is the amount of money in circulation that leads to its expansion or its contraction.

Mr. GARLAND (Bow River): In relation to the quantity of goods.

Mr. WOODSWORTH: Yes; my hon. friend from Bow River (Mr. Garland) puts in what I took for granted. It is the relation of the amount of money to the task the money has to perform that determines the value of money. But other things being equal, as the text book people say, supposing the amount of work to be done remains constant, it is the amount of money of all kinds in circulation that to a very large extent determines the purchasing power of the dollar. I submit—

Mr. SPEAKER: The hon. member has spoken for over forty minutes.

Mr. WOODSWORTH: I will conclude. I submit that the power of largely determining

the buying power of the dollar and of practically determining the price level is too important a function in our economy to be entrusted to the hands of private individuals. We all can see what a tremendous influence that has on our life especially when we remember that our debts have to be paid in terms of a rubber dollar. This may mean that the debts are doubled or that the debts are halved, without any statutory change but simply because of the changing value of the dollar or of the price level, over which the government has no control but which is entirely in the hands of the banks.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, before the bill receives second reading I desire to make a suggestion to the Minister of Finance (Mr. Rhodes), and I am sure he will welcome it because I propose to show him a method by which he can acquire for his government something in the neighbourhood of three millions of dollars. In the present condition of the finances of Canada and the still very sluggish state of the revenues, I am quite satisfied that even the Minister of Finance in a Conservative government will welcome from one in this corner the suggestion of a method by which he may acquire three million dollars.

Mr. MANION: That is something new.

Mr. GARLAND (Bow River): And by the way he might use it for railway construction in Peace River country or some other good work.

If the Minister of Finance will turn to section 114 of the Bank Act he will find that it provides:

> The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the minister a return as at the end of such calendar year
>
> (a) of all dividends which have remained unpaid for more than five years; and
>
> (b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:
>
> Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

Then section 115 provides:

> (1) If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up act, or otherwise, any moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed,
>
> (a) for the period of three years from the date of suspension of payment by the bank;
>
> (b) for a like period from the commencement of the winding-up of such business; or
>
> (c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years,
>
> such moneys and all interest thereon shall, notwithstanding any statute of limitations or other act relating to prescription, be paid to the minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

I happened to look up the figures recently in respect of unclaimed bank balances, and I find that they run something over three and a quarter million dollars. The annua! calls made on these unclaimed balances do not amount to more than twenty per cent of the total amount at any time, I am informed; in fact, in recent years it has not approximated twenty per cent. It would therefore be quite safe for the government to make provision for an amendment to the act by which it could either tax the eighty per cent of the unpaid balances into the treasury or expropriate them by an amendment to the act taking, of course, full responsibility for meeting any such claims if and when they arise. The thing has been running for so many years now that there is no danger of any risk or loss in connection with the matter, and if the government desired to do so it could permit the banks to retain the twenty per cent to meet possible claims and also to carry on a full accounting of the other unpaid balances. There would doubtless have to be a service fee paid to the banks for services of that nature, but I do in all seriousness submit that it is possible to acquire a healthy fund of very useful credit or currency in this fashion.

There is another point to which the attention of the government might be directed. So far as I can ascertain, at the end of the five year period, five years after the owner of an unpaid balance in the bank has failed to make application for it, the interest does not appear to be computed. In other words, in the returns made to the government I find no indication that the interest on the unpaid balance is maintained and reported upon once the five year period has expired. Frankly I do not think that is quite proper, and the government would be entitled in my opinion on taking over these balances to the full amount of the accrued interest. The sum doubtless would be a very substantial one. I make that suggestion in the hope that it may

help the government slightly, and in the way of constructive proposals in respect of amendments that might be made to the act. I do so because frankly I think it is going to be impossible for hon. members of this house who have drastic but realistic views with regard to banking, to have brought into effect in the present constitution of this parliament what they regard as best in the general interests of the Dominion of Canada. I must, however, before the passage of the second reading of this bill state my position in connection therewith.

First of all, I am definitely opposed to a continuation of the concentration of power in the hands of fewer and fewer persons in this country—a concentration of power that to-day has reached an amazing state. This house listened this afternoon to statement after statement by hon. members in this corner, notably those contributed by the hon. member for Macleod (Mr. Coote) and the member for Wetaskiwin (Mr. Irvine), with regard to interlocking directorates. I now submit to the house a statement of the holdings of three of these directors.

Sir Herbert Holt influences as director or managing director, and sometimes as president, the following:

General Canadian companies ..	$1,136,400,000
Insurance companies..	688,700,000
Royal bank (president)..	825,700,000
Canadian Pacific Railway.	1,380,900,000
Canadian companies operating abroad..	505,600,000
	$4,537,300,000

Mr. BOURASSA: What about the Montreal Tramways?

Mr. GARLAND (Bow River): I have not given all of them. He is president of the Montreal Trust, in connection with which I cannot secure accurate information as to its capital assets, but it involves a large number of interlocking investment and banking houses and corporations.

I take next Sir Charles Gordon:

General holdings.	$ 454,000,000
Bank of Montreal (President).	794,000,000
Canadian Pacific Railway.. ..	1,380,900,000
	$2,628,900,000

Sir Charles Gordon, apart altogether from the Royal Trust, of which, like the Montreal Trust, the capital assets are difficult to discover, holds $2,628,900,000, and by the way that is quite conservative.

I take next W. A. Black:

General holdings..	$ 345,000,000
Bank of Montreal..	794,000,000
Canadian Pacific Railway.	1,380,900,000
	$2,519,900,000

These three sums make a total of $9,686,100,000. It would, however, be quite unfair to leave that figure in its present form because it includes three times the figure for the Canadian Pacific Railway Company and twice the figure for other institutions. So I now deduct all duplications, and I find that the net capital assets controlled by these three men amount to $5,835,300,000 in the hands of three men—three men only in this dominion. That sum represents approximately one-fifth of the total estimated wealth of the dominion at this moment. I wonder if hon. gentlemen realize the implication of that, the extent of power vested in the hands of these men.

Mr. BENNETT: May I point out to my hon. friend that his statement is wholly incorrect? These three men are three of many. These three men do not control that amount of money as stated. Surely the hon. gentleman does not want to make a statement such as that to this house.

Mr. GARLAND (Bow River): The right hon. gentleman is quite right. They do not absolutely control outright, but my right hon. friend knows as well as I do the tremendous and powerful dominating force of these three men on boards of directors of every one of these corporations.

Mr. BENNETT: I know the opposite. I know that they very rarely attend the meetings, except in two or three cases—the Bank of Montreal and one or two others. Take, for instance, two of these men. They do dominate because they are presidents and control the institutions, but in the case of the other institutions they rarely attend the meetings. It is well to be fair about these things. To create prejudice is one thing; to be fair is another.

Mr. GARLAND (Bow River): I propose to be fair without creating prejudice. The tremendous power to dominate possessed by these men involves a form of economic dictatorship which the right hon. gentleman is well aware of. I should like to know of specific instances of the real plans or desires of men like Sir Herbert Holt having been thwarted even by the government.

Mr. BENNETT: The hon. member should read the Bank of Canada bill.

Mr. GARLAND (Bow River): The Bank of Canada bill is a matter with which we are not dealing at the present time; we are dealing with the commercial banks. May I observe at this stage that while the Bank of Canada bill does provide for some control over the volume of credit within the country, it does not purport to control the allocation

or direction of that volume. This tremendous and powerful weapon is still left in the hands of men like these to whom I am referring.

For about seven thousand years our forefathers secured from the earth what sustenance they could by means of their own muscular energy and with the aid of domesticated animals. During that period the tempo of human production hardly changed at all. The only machines in existence were very primitive in nature. Here and there waterwheels supplied a little "direct" power, but that was all. Then man discovered steam, almost accidentally, and instantly the divine spark that is in him burst into flame. Scientific devices increased by multitudes. Great Britain was the first of all nations to adapt her production to mechanized processes. It is only a little over eighty years ago that this great change reached its first harvest. A great many people, and even some hon. members in this chamber, are still unaware of the economic impact of the changes brought about, even in their own short period of life, by the modern process of production of human requirements. By 1851 England's industrial output had reached such a stage that in spite of the fact she was then at the very height of her colonial glory, with vast markets to exploit, under the system then existing and which still exists she was unable to consume within her own borders the vast production of her machines. In order partly to meet this difficulty the first world exhibition was held in London. The world came to England's shore and the world placed orders for goods. England's greatness as a creditor and trading nation grew by leaps and bounds. But the world did something else. It undertook to study England's method and it placed orders, not only for "consumption" goods but for what the economists call "capital" goods, that is, plant, equipment and machinery. I venture to suggest that the year 1851 might well go down in history as the year which saw the transformation of the method of production of the needs of the human race from a non-mechanical to an almost purely mechanical process. From then on it was simply a race between nations to improve the technique of production and we have now reached the stage where such orthodox economists as Sir Arthur Salter and Sir Basil Blackett state that there is no reason why any man, woman or child should suffer a single moment of anxiety regarding food, clothing and housing, and indeed many comforts as well. There are sufficient energy resources to provide the entire population with the adequate necessities and indeed, in many cases, with many of the comforts. I commend to this parliament the consideration of improvement in economic conditions, so that the spiritual and the cultural may advance. Until we do that we shall never get rid of the degrading conditions in which we find such a large and increasing mass of our people to-day.

Many hon. members around me are manufacturers, and they have had greater opportunities than I to examine the modern technique of production. However, during my various trips throughout this country I have taken the opportunity to visit every factory in any town I might be in. I have seen them weaving woven wire fencing; I have seen them putting heads on nails, something I had wondered about before; I have seen them making chocolates; I have seen them making underwear and spinning cotton on the great looms of Sir Charles Gordon's plant. So on all through the gamut of modern production. Since the introduction of the new form of power known as electricity, of which we know very little other than that we can use it, modern mechanization has been again revolutionized. I have heard of one steel mill which was rebuilt in the spring of 1930. The old mill used to employ some 600 men, but the new mill, which is equipped throughout with semi-automatic electrical machinery, can produce more of a better product and yet gives employment to only six men. Mr. John Davis, formerly Secretary of Labour of the United States of America, pointed out in a pamphlet issued not long ago that the shoe plants of the United States, if working at capacity, could produce the requirements of the country for a whole year in seventeen and a half days. In Canada, we need to realize the potential output of our steel mills in Sydney, in Hamilton and in Sault Ste. Marie. These mills have not for long worked to anything like capacity. The machines of Canada have never been worked to full capacity. The war was the nearest approach to full time use.

The increase of technologic production has been so great that even if the production activity of 1929 were restored, people are estimating future reemployment on the basis of one-half the present unemployed; that is the most that industry can absorb even under the most favourable conditions. I believe that to be a sound contention. I believe that to-day we could produce as much as, if not more than in 1929 and yet absorb only half of those who are now out of work. In addition we have the growing number of young men and women who are leaving our

schools and colleges every year and for whom there is neither hope nor work under present conditions. There is nothing ahead of them but despair and disaster. Canada can be happy in the fact that materially no nation is more satisfactorily situated. We have the vast resources which hon. gentlemen are very proud to discuss during elections and even at other times. We have a vast heritage of artificial energy which is almost untouched. In addition we have a population who have to their credit the desire to produce the services and goods required by the nation. The charge against the Canadian people of general idleness cannot be sustained by anyone in the world. As a matter of fact, there are only two indolent classes to-day: there is one per cent at the top who do not have to provide any services and less than one-half per cent at the very bottom who are for pathological reasons unwilling to render services.

I have not the time to paint a complete picture of the possibilities of this country. I have mentioned mechanization but hon. gentlemen know as much about that as I do. Mechanization would never have come into being nor could it continue without the extension and progressive development of artificial energy. We can almost forget steam it is now being superseded by electrical power. A new form of energy infinitely more important, more powerful, more easily concentrated, immensely cheaper and terrifically more efficient. A few years ago I read an estimate by Lord Rothermere, I think in the Daily Mail. He stated that at that time the United States was using some 29,000,000 horsepower of electrical energy in industry. It was estimated that this meant the equivalent of 290,000,000 human workers represented by this one form of energy. I hope hon. gentlemen get the import of that fact. A population of 126,000,000 men, women and children have in electrical power the equivalent of 290,000,000 human workers. This is on the engineering basis of one horse-power equalling ten adult human work units.

I was so much interested in that estimate that I asked our own Dominion Statistician, Mr. Coats, than whom there is no better, to tell me what had happened in Canada and in the world in general along these lines. The last year for which world figures could be obtained was 1931, and by that year the use of electrical energy in the world had increased to a point where it equalled 1,500,000,000 men. The total population of the world is estimated at roughly 2,000,000,000. Among vast and varied resources, Canada is the happy possessor of what I think is the second greatest essential in modern commercial life. The first essential is purchasing power and the second is this form of power known as hydro-electric energy. We have so far but scratched the surface of the possibilities of power development in Canada. We stand in the row of nations second in the potential production of electricity; for at this day we have approximately 7,330,000 horse power developed and ready for production or, and hon. gentlemen will note this, the equivalent of 73,000,000 human workers. And this in a population of less than 11,000,000. Every man, woman and child in Canada, under a decently ordered state of society, might have as an electrical ally the equivalent of the power of 7 men, ready to do their work and their bidding for them, tirelessly, ceaselessly, day after day, night after night, at the pressing of a button or the pulling of a lever. And this is not something that can be exhausted; it is not something like a gold mine or any other sort of mine; nor can it be depleted like the fertility of the soil. It is as permanent as the lakes and rivers in our land. It is the most valuable of all the resources we have at the present time, and we have it to a superabundant degree.

I need not dwell on the introduction of the third chief form of artificial power, the internal combustion engine; but hon. gentlemen who come from the west no doubt know the tremendous effect it has in extending the area of cultivation and in increasing the capacity of the individual farmer not only to handle a far greater acreage than before but to produce far greater quantities of all field crops.

We have in Canada everything necessary for human life, almost everything necessary for our comforts; we have these vast resources in the form of electrical and other artificial power; we have a splendid population, people anxious to do any work required; yet we have misery and hunger, approaching absolute destitution, despair, creeping old age of penury, relying on a form of state charity. I do not think that this sort of thing can be called Christian. A system that condemns the people, in the midst of plenty, to a condition of penury and utter poverty is not a Christian system, and no one dare make that argument for it. And here we are engaged in the gentle and delightful practice of committing what I am bound to term sacrilege; for after the bountifulness of the Almighty has blessed the nation with an abundance of all the things that people need, the only answer of our statesman to Him is to throw His bounty back in His face by destroy-

ing it—that appears to be the only method by which the nations to-day propose to get rid of the problem facing them, the problem of distributing the enormous production of industry. That is the supreme problem of all. But instead of applying themselves to experimental economics with courage and vision, we find leaders everywhere shrinking back from the task, or flying to the fossil room of the British Museum, having for their object apparently the discovery of the quickest and easiest method by which they may destroy the wealth that has been produced by man in cooperation with the Almighty. There were people in the old days who would have said that we should deserve to be visited by a famine. It may be true still; we still deserve it, for the stupidity of the actions and the attitude of statesmen and leaders throughout the world justifies the punishment. If the people have confidence in such leaders, and countenance the continuance of policies of this sort, then the people will deserve what their leaders already deserve.

And so we find this strange comment in a newspaper in the United States. The Cleveland Press carried the following item:

> The most striking evidence that has come to our attention of a popular realization of a change in the old order is the following item, which appeared in this newspaper's columns of church news:
>
> "Prayer for more bountiful crops for the farmer, usual to Episcopal services on Rogation Sunday, was modified throughout the Ohio diocese. Officials felt the appeal would not be in accord with the government policy of limiting crop production. So prayer was offered instead for improved means of produce distribution."

That last at least was intelligent. Commenting on this dispatch, the Cleveland Press observed editorially:

> Are we going to see the time when the President of the United States—
>
> Or, for that matter, the Prime Minister of Canada.
>
> —will call on us to give thanks the last Thursday in November because the harvests were not so bountiful as usual?

As a matter of fact, I did hear some whispering about the sigh of relief that went up when a news dispatch to London intimated the fact that the grasshopper menace was an exceedingly serious matter in western Canada and that the crop was not likely to be as large as had been anticipated. On top of that, turn to other parts of the world and what do you see? You find Egypt, by law, trying to limit the cotton crop in 1926—why? Was it because the people of Egypt and the people of the world at large had then enough cotton? Not at all. It was because, under the present system of overcapitalization, it was impossible for them to sell their products at a profit, and unless they were sold at a profit production would not continue. In the state of Texas an attempt was also made to limit production—an attempt which the authorities sought to enforce with the aid of the state militia, and which failed. And why was that attempt made there, to limit production? Was it because the people in that state had a sufficiency of cotton goods? No. Is industry concerned with the supplying of goods? Is that the motive anywhere? That is not the motive under the present system. Ask any manufacturer what his motive is and you will find that the sole question is as to what can be made out of production; it is not a question of supplying human needs.

Again, turn to Brazil, and the classical example given the world a year ago when they destroyed a million sacks of coffee. Was it because there was enough coffee in the world? Ask the farmers of western Canada; ask the unemployed throughout this dominion and the United States, who at that time numbered some twelve or thirteen millions. The world had not then enough coffee; yet one million sacks of coffee was destroyed. And the same is true of sugar and of rubber. Indeed, we find some of the natives being sent out to chop down the rubber plantations which a few years ago they had laboriously cultivated. Imagine the insanity of the system. On top of this coffee destruction that occurred a year ago the world conference received a recommendation from France with regard to the limitation of the production of certain commodities. That world conference was sitting in what I am told is the fossil room of the British Museum—whoever decided that that should be the place for the world conference had a fine sense of humour—and it was the day following the dispatch, on the 16th of June last, with regard to the destruction of coffee in Brazil that a recommendation was made by France for the artificial limitation of the production of a long list of basic commodities. Was not that an intelligent contribution to the problem?

And now for the following dispatch from Sao Paulo, Brazil, through the Associated Press:

> The Sao Paulo State Coffee Institute urged the government Thursday to sanction the burning quickly of nearly six million sacks of retained coffee—

What for? Was it because people had more coffee than they could possibly consume? No, but—

—to provide space in warehouses for the new crop in July. A 20,000,000 sack crop is expected.

And so you have throughout the entire world to-day this condition of vast potential abundance on the one hand, machines and equipment, artificial power, the energy of ambitious, virile people, more highly educated than those of any previous generation, all ready to produce everything needed, and on the other hand vast hordes of unemployed, with destitution and broken hearts, people crying to heaven for justice and for at least some reasonable solution of the problem. It is only a few years ago that Arthur Kitson, manufacturer and authority on financial questions, president of the British Banking Reform League, directed the attention of the British people to the machine problem, when referring to England's position—and, remember, we are not behind her in our tremendous per capita capacity for production. Arthur Kitson at that time said:

It is quite certain that the need for labour must become less and less with the growth of inventions and the increase in industrial efficiency. Indeed the real problem we have to solve is not so much that of finding constant employment for our people as our supplying them with life's necessities and comforts out of the abundance of goods created. Even to-day the labour of less than 10 per cent of the population will readily suffice to maintain the entire inhabitants of this country in a high state of comfort. Suppose discoveries and inventions during the next half century result in the displacement of all manual labour by machinery, must the bulk of the world's inhabitants then perish?

Yet under the present system that would be their lot—either to perish or to be forced to a low degree of degradation under state charity. Why, Mr. Speaker a man has not even the "right" under our present peculiar social order to a job, and without a decent job he cannot maintain his family and his home. Yet I say our fellow citizens may not demand, as a right, a job. Let a man try to get one even if he does demand it! Even Mr. Roosevelt, for whose courage, whose willingness to experiment and whose intelligence in surrounding himself with experts I offer my sincere admiration, when dealing with the same problem, fell into the same trap into which others fell. One of his first acts was to arrange for the ploughing under of nearly 11,000,000 acres already sown to cotton. Hon. members will recollect that towards the close of last summer or in the early fall arrangements were made for the killing and burning of several thousands of hogs. Why? Because the people of the United States had enough pork or bacon or hams or the people of the world had enough? No. There were at that time in the United States about 10,000,000 or 11,000,000 unemployed, who with their dependents made a vast army in that country who, I venture to say, had no opportunity to eat a pork chop or had a chance to get nearer one than the passing smell of it.

We have reached this stage of the vast production of which we are potentially capable. There is not an hon. gentleman in the house who can refute that statement. We have the capacity within Canada to supply our people with most of their needs and with many comforts. Out of the vast resources we have in artificial and human power, we can do this. What are we going to do about the matter? The first great essential of modern commercial life is the medium of exchange, and that is why I venture to discuss this problem on the Bank Act. Yet we have continued through years of operation and bitter lessons to delegate to an inferior authority the right and power to determine not only the quantity of credit within limits, but the allocation of the credit of this country. As long as you leave to private individuals the power to determine both the volume and the allocation of credit—and the two go together and are most important in that relationship—you place in their hands a power, greater than that of the government itself, a power to determine whether men shall be employed, whether industry shall operate, whether commerce shall continue, whether production shall be in a buoyant or in a depressed condition. That power is vested in a group of men growing fewer in number every decade. It is a power which supersedes that of the state, which determines the economic lives of the inhabitants of a country, and I say to the house that we shall be recreant in our duty as trustees of the rights of the people of Canada if we return once more to those private interests this vast power. I would gladly socialize the financial institutions, but I am afraid the house would not go that far.

An hon. MEMBER: Hear, hear.

Mr. GARLAND (Bow River): Even my hon. friends the Liberals say: "hear, hear."

Mr. JACOBS: Not all.

Mr. GARLAND (Bow River): I thank the hon. member; not all, says one of them. What the committee should do, if they are not willing to undertake the socialization of the currency and credit of the country, is to

make the necessary amendments to the act so that the state may be able to determine the allocation of the credit as it is now proposed through a central bank to determine the volume.

That this is important is readily recognized if any hon. member will follow the records of the last few years. From 1926 to 1929 the banks in Canada went on a splurge, with all their wisdom, with all the sound intelligence and common sense they were supposed to possess, they inflated; they inflated with their eyes wide open; they increased the volume of call loans abroad and at home, of domestic loans, of bank notes, and they were assisted in doing so by the Department of Finance through the Finance Act. They deliberately assisted a speculative market to a greater degree than any other enterprise in the country. Then they became frightened at the balloon they had sent up, instead of letting a little of the inflation out of it and allowing it to come back to earth in decent fashion, they plunged the knife of deflationary despair into the balloon, bringing the whole economic structure in collapse around us. If that is not an accurate picture of what happened, I shall ask any hon. member to describe it better than that. One of our best economists, Professor Curtis, in his pamphlet entitled Credit Control in Canada, had this to say at page 107:

> Such a condition was precisely what developed in 1929, with the result that Canada, extra-legally but effectively, abandoned the gold standard.

Further on he deals with inflation of currency and credit, but I have not time to give that to the house. I may be called upon to justify further my contention, if that is really necessary with intelligent men, that this vast power to dominate the very life of the community should again be taken by the sovereign power of the state itself. I do not wish to go into too elaborate details in that connection. I am willing to take my common sense and experience in life with the reading I have done for many years, but I am enormously supported and encouraged in my view when I read the following:

> In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

I pause there because the next passage is even more important to this particular question:

> This pawer becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying so to speak, the life blood to the entire economic body, and grasping, as it were, in the hands the very soul of production, so that no one dare breathe against their will.

That is the position to-day, not only in Canada but in every so-called modern civilized nation on earth, yes, in every nation; those who control the credit and its allotment hold us in the hollow of their hand.

Mr. MACKENZIE (Vancouver): What is the quotation from?

Mr. GARLAND (Bow River): The encyclical letter of His Holiness Pope Pius XI, entitled Social Justice and Charity. I continue:

> This accumulation of power, the characteristic note of the modern economic order, is a natural result of limitless free competition which permits the survival of those only who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience.

I pause just to make this comment on that passage. I doubt if it is really right to refer to the strongest. If the reference had been to the slickest, the cleverest, the greediest, the most unconscionable, I would agree with it, because to-day it is not the creator, the constructor or things, the builder in the nation, that is of this rank; it is the man who sits around the mahogany table and plots, plans and schemes the best and quickest methods of skinning the public. Those are the men to-day who are the dominant force in the community. I continue the quotation:

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Some hon. MEMBERS: Go on.

Mr. GARLAND (Bow River): With the permission of the house I continue the quotation:

> Unbridled ambition for domination has succeeded the desire for gain; the whole economic life has become hard, cruel and relentless in a ghastly measure.

We in this corner hold views that differ from those of other hon. members. I now conclude with this point; we urge in connection with this matter that the first and prime essential of a just social condition is state control and operation of the social credit of the state. This is our firm belief, and it is strongly supported by this remark found at page 33 of the same encyclical:

> For it is rightly contended that certain forms of property must be reserved to the state, since

they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large.

I submit that the private control of credit gives opportunity of domination too great to be left to private individuals, and that it has been exercised to the detriment of the community at large.

Motion (Mr. Rhodes) agreed to; bill read the second time and referred to the select standing committee on banking and commerce.

ROYAL CANADIAN MOUNTED POLICE

INSPECTION, VETERINARY AND MARINE PERSONNEL —PENSIONS—DUTIES AND OFFENCES OF MEMBERS OF FORCE

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution:

Resolved,—that, it is expedient to amend the Royal Canadian Mounted Police Act to provide for the appointment of detective inspectors, sub-inspectors and assistant veterinary surgeons, and the personnel of the marine section, and to provide for pensions to widows and allowances to children of officers and constables who may be killed while in the performance of duty, and to make further provisions respecting the counting of service of officers and constables with any provincial police force for purposes of pension, and in regard to the duties and offences of the members of the force.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. GUTHRIE: Perhaps I had better offer a word of explanation upon this resolution. This resolution and the bill founded upon it relate to the interior organization and discipline of the Royal Canadian Mounted Police. Let me say at the outset that there is little or no increase in the annual expenditure involved. There is some rearrangement, and I should add that in respect to the last clause of the resolution there may be a slight expenditure involved, and for that reason the resolution was duly submitted to His Excellency.

In the first place it is proposed to create a new classification to be known as detective inspectors. There is a detective force in connection with the police, and men who have served in it for a considerable time think they are entitled to a step in rank; they will be called detective inspectors. Then there is another class, subinspectors, and another, assistant veterinary surgeons. When the act was drawn, through an oversight the rank of assistant veterinary surgeon was omitted. There are only two assistant veterinary surgeons in Canada, one in Regina and one in Ottawa, and they desire to have their rank recognized.

Next is a provision in regard to the marine section. That section is of considerable importance in the Royal Canadian Mounted Police. There are in the marine section now, of officers, 34, and of other ratings, 169. Some 30 vessels are operated and 77 power boats. These are scattered in the Arctic, east and west, in police work and on the Atlantic and Pacific seaboards, chiefly in the preventive service of the customs. There has not heretofore been an establishment laid down for the marine section.

The next provision is in regard to payment to the dependents of officers and constables who may be killed while in the performance of duty in the force. Heretofore it has been customary when such misfortunes have occurred to vote a sum in the estimates and carry it on for subsequent years. The proposal in the resolution is that where an officer or constable is killed on active service his widow or dependents will be entitled to one half the sum he would have been entitled to by way of pension, instead of the annual vote which we have heretofore made in the House of Commons.

Mr. HOWDEN: How long will that continue?

Mr. GUTHRIE: It will continue during the lifetime of his widow and until his children reach the age of, I think, sixteen—I am not sure of the age.

The last clause is to cover the case of a few men who at one time served in the various provincial police forces. If my memory serves me aright there are only seven, or perhaps it is eleven, involved. When agreements were made between the various provinces and the Royal Canadian Mounted Police under which the policing of the provinces was taken over by the Royal Canadian Mounted Police, it was arranged that members of provincial forces who were taken in, should for the purposes of pension come under the Royal Canadian Mounted Police Pension system. But there was a small number of men who had been taken in before the amalgamation, who had served previously in provincial police forces; the last clause makes provision to include that small number of men in the pension scheme of the Royal Canadian Mounted Police. In that respect there will be a little increase in expense, but it is very slight in-

deed. These matters are all elaborated in the bill which I propose to introduce if the resolution is carried.

Mr. MACKENZIE (Vancouver): In regard to the marine section, is this the first time that that section has been included in the estimates of the Royal Canadian Mounted Police? If so what are the proportions on the Atlantic and Pacific coast respectively?

Mr. GUTHRIE: It is not the first time; they have always been included in the vote. There is no change in the vote under this resolution, but the personnel will now be entitled to be classified, whether as ships' officers or other ratings, in the marine section. There is skipper, assistant skipper, mate, and then the various ratings of the marine section. I cannot say just how the marine service is at present divided, but the larger portion is in northern waters in the east and west Arctic; and those in British Columbia and Atlantic coast waters are engaged very largely in the preventive service work, while in northern waters it is police work.

Mr. CASGRAIN: Is there anyone specially charged with the administration of the section in the province of Quebec?

Mr. GUTHRIE: The whole service is under the administration of Major General MacBrien, commissioner of the force.

Mr. CASGRAIN: But as regards the province of Quebec and that marine service, is there any special officer in charge, a deputy, or whatever is his title?

Mr. GUTHRIE: I do not believe I can tell his title, but when the bill is introduced I will have that information.

Mr. MACKENZIE (Vancouver): How many provinces are directly policed by the Royal Canadian Mounted Police?

Mr. GUTHRIE: All the provinces except British Columbia, Ontario and Quebec.

Mr. MACKENZIE (Vancouver): Are any negotiations now in progress in regard to any of these three provinces?

Mr. GUTHRIE: There was some informal discussion with members of the government of British Columbia when they were here at the recent conference, but nothing developed. I think the British Columbia government may have the matter under consideration but I have not heard from them since.

Mr. JACOBS: Could the minister tell us the strength of the force throughout the country?

[Mr. Guthrie.]

Mr. GUTHRIE: In all branches, 2,517, of whom 350 are in the preventive service.

Mr. JACOBS: And is it considered necessary to have only two veterinary inspectors?

Mr. GUTHRIE: There are a number of veterinary surgeons, but the rank of assistant veterinary surgeon was never recognized in the act. There are two assistants, one at Regina and the other here at Ottawa. We have horses at only one or two points; I think the total number of horses is only 293 now, though it is still called the Royal Canadian Mounted Police. We have more motor cars for police work than horses, but at these two points there are assistants veterinary surgeons whose rank never has been recognized under the act.

Mr. MACKENZIE (Vancouver): Would the minister tell us how the personnel has increased in number for the last three years? What was the strength three years ago?

Mr. GUTHRIE: Three years ago we did not have the preventive service. I think the force would number about 1,600 or 1,700. I can get the exact figures when the bill is in committee.

Mr. CASGRAIN: Could the minister tell us how many of these vessels are in service in the province of Quebec?

Mr. GUTHRIE: No, I cannot.

Mr. HEENAN: Did I understand the minister to say that the provision for pensions to widows and dependents would be fifty per cent of the salary?

Mr. GUTHRIE: No, fifty per cent of the retiring allowance to which a man would be entitled if he retired from the force. If a man is killed in the performance of his duties half the amount of his pension would go to his dependents. I may say that the former system of voting the amounts annually in this house was a little inconvenient in some cases. A constable was killed in northern Saskatchewan last year; two hold-up men shot him. He was killed in the performance of his duty and the widow was left entirely without means. She continued without means until the money was voted by parliament, and was dependent upon her friends for her support for six or seven months. If this amendment be passed, should a case of that kind arise again the widow would probably receive assistance within two or three weeks.

Mr. HEENAN: I quite agree with the minister in what he proposes to do, but I was wondering if fifty per cent of the retiring

allowance would be an equitable way of dealing with the matter. Can the minister tell us if this allowance will average anywhere near what a widow receives under the Workmen's Compensation Act in Ontario?

Mr. GUTHRIE: I do not know what the Ontario act would provide, but I know this principle has been recognized in the permanent force and in the mounted police for a very long period of time. In the bill it is stated that the amount payable in respect of each child is $60 a year, I think, and the widow would get probably $400 or $500 in addition.

Mr. MACKENZIE (Vancouver): Apart from the possibility of taking over police work in other provinces is it contemplated that any other functions will be taken over in addition to the preventive service?

Mr. GUTHRIE: Not at the present moment. Some suggestions have been made in regard to the police in attendance in this house, for instance; they are not under the mounted police, but that matter has not been seriously considered.

Mr. SANDERSON: I should like to ask the minister if the strength of the Royal Canadian Mounted Police is being kept up by recruits and, if so, how many recruits were taken on last year.

Mr. GUTHRIE: I believe fifty were taken on last autumn, but none have been taken on since, and the commissioner informs me that he will not be able to take on any more recruits before June or July. There is a natural wastage in the force, as there is in all forces of the kind, and the commissioner happened to tell me to-day that it would be June or July before he could take on any more recruits.

Mr. HOWDEN: With respect to these pensions, could the minister tell us what the average retiring allowance of a constable would be?

Mr. GUTHRIE: Somewhere around $800 or $900 after twenty years of service.

Mr. HEENAN: I hope that before the minister drafts his bill he will give consideration to this matter, because from the answer he has just given this seems hardly a fair or equitable distribution. Under the Workmen's Compensation Act in Ontario the widow of a man killed receives $40 a month as long as she lives, while for children up to sixteen years of age there is an additional allowance of $120 a year. The minister said the allowance under this act was $60 a year for children.

Mr. GUTHRIE: I think it is $60 under this act.

Mr. HEENAN: I think if an officer or constable is killed in the discharge of his duty his dependents should be cared for as well as the dependents of those killed in industry.

Mr. GUTHRIE: This pension fund was formed on an actuarial basis, and the men contribute to the cost of keeping it up. The provision in favour of the widow and children is fixed on the basis of the contribution to the fund. When a man joins the force he knows what he will have to contribute to the fund and the pension he will get after he serves twenty years. If this amendment passes he will also know what his widow and children will get if unfortunately he meets with death during service.

Mr. HEENAN: I am not quarrelling with the system that has obtained up to now. Evidently we have not paid very much attention to these matters, since we have just voted the money each year, but now that we are going to pass an act the very fact that the constables and officers contribute to this fund surely is another reason why their widows and dependents should receive as much as the widows and dependents of men killed in industry.

Mr. GUTHRIE: I think the widow will get as much as $40 a month.

Mr. EULER: When the preventive force was absorbed by the mounted police I think the salaries of the members of that force were very substantially reduced. I should like to ask the minister whether the pensions of these men are based on their pay as members of the mounted police or on the amount they were receiving under the old organization, or both, with the former higher salary being taken into consideration in the granting of pension?

Mr. GUTHRIE: I will have to ask the commissioner when the bill is brought in. My impression is that some consideration is given to the former higher salaries and that an average is taken, but I am not positive of that. I will give the information definitely.

Mr. CASGRAIN: If we are to understand that these pensions are paid out of the money contributed by the officers and constables, I presume the widow will be entitled to that amount for the rest of her life.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 22, to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the first time.

SUPPLY

DEPARTMENT OF NATIONAL REVENUE

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Salaries and contingent expenses of the several ports of the dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act and temporary buildings and rentals, $6,113,000.

Salaries and travelling expenses of officers of the inspection, investigation, audit, and the preventive service undervaluation services, $916,698.

Miscellaneous, including printing and stationery; subscriptions to commercial papers; flags; dating stamps; locks; instruments; express charges on samples; legal forms; legal expenses; premiums on guarantee bonds; uniforms for customs-excise officers; laboratory equipment and supplies, etc., $500,000.

Amount to be paid to the Department of Justice to be disbursed by and accounted for to it for Customs-Excise Secret Investigation Service, $15,000.

To provide for the administration of the Income War Tax Act 1917 and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, and salary of $8,000 (less statutory deduction of ten per cent) for the Commissioner of Income Tax, $2,000,000.

Amount to be paid to the Department of Justice, to be disbursed by and accounted for to it for the Income Tax Secret Investigation Service, $15,000—Total, $9,559,698.

Mr. EULER: This appropriation, of course, is for the maintenance of ports throughout the country. I would ask the minister whether any substantial number of ports has been closed during the present year, and if it is the policy of the government to continue with the closing of ports as it may be found advisable.

Hon. R. C. MATTHEWS (Minister of National Revenue): While my officials are looking up the exact number of ports that have been closed, I may say that it is the policy of the government to close ports where conditions demand it.

Mr. EULER: Does that mean that any substantial number will be closed? I have reference to the report of the Royal Commission on Customs and Excise which some years ago recommended that a very considerable number of the ports be closed. That policy was followed to a considerable extent under the former government, and I am curious to know whether a similar policy is being carried out now. It would be interesting to know how many ports are still open throughout the country.

Mr. MATTHEWS: I shall be glad to get the information for my hon. friend. As I have already said, it is the policy of the government to close ports as conditions demand it.

Mr. MACKENZIE (Vancouver): Are any salary reductions involved in this vote?

Mr. MATTHEWS: Yes. The ten per cent cut amounts approximately to $600,000.

Mr. MACKENZIE (Vancouver): Is that for the inside or the outside staff?

Mr. MATTHEWS: The outside.

Mr. HEENAN: The other night when the railway estimates were under consideration, after the Minister of Finance had given us some hope—I say hope—that later the government might bring in a measure to restore the ten per cent cut, or a portion of it, we agreed to let the items for the outside service go through and the Minister of Railways promised that if later the ten per cent or any portion of it was restored, the employees of his department would have their salaries restored notwithstanding that we might have passed items covering their services and involving the ten per cent cut. I suppose the Minister of National Revenue will give a similar undertaking as to his department.

Mr. RHODES: If I might be permitted by my colleague, the same answer which I gave the other evening obtains with respect to this vote as well. My hon. friend from Kenora-Rainy River (Mr. Heenan) puts his own interpretation upon my remarks the other evening; in fact, he went so far as to make a deduction from the appearance of my countenance. I may say to my hon. friends that if it suits the purposes of the opposition to permit these votes outside of civil government to pass, it is distinctly understood that the statement I made the other evening holds good with respect to this and other items of a similar character.

Mr. HEENAN: I notice from the minister's face that there is still more hope.

Mr. JACOBS: He knows a poker face when he sees it.

Mr. HEENAN: This item provides for the payment of overtime to certain officers. Are these officers on the eight hour day and is the overtime for time worked beyond the eight hours?

Mr. MATTHEWS: Yes, it is.

Mr. EULER: I take it that the only branch of what was formerly the preventive service now remaining with the Department of National Revenue is that which has to do with the investigation of undervaluations. How large a staff has the minister concerned with that work, and where are the men located, if it is possible to give that information?

Mr. MATTHEWS: The staff numbers about thirty in all, located at Montreal, Ottawa, Toronto, Winnipeg and Vancouver.

Mr. BOTHWELL: May I ask how many ports of entry have been closed in the last three years?

Mr. MATTHEWS: I have not that information with me but I shall be very glad to get it for my hon. friend.

Mr. BOTHWELL: Where ports of entry have been closed on highways running from the United States into Canada—I am speaking particularly of the prairies—would it not be possible to put up signs on the main highways directing people to the nearest port of entry? Many complaints have been made by people that they cannot find a place to report, and there are claims, I understand, now before the department.

Mr. MATTHEWS: My officials inform me that we have signs directing people to the ports of entry.

Mr. REID: I notice that this item provides for overtime of officers. Looking over the Auditor General's report I find that overtime amounts in some cases to as much as $675 a year extra. I also understand that last year many of the temporary men were let go on the Pacific coast, and that the overtime was given to men who were working seven days a week. I think in these times of stress it is about time that overtime amounting to as much as $675 a year be looked into. If a man is getting a salary the year round it should pretty well take care of him especially when there is not work enough to keep all employed. I wonder if the minister would mind looking into that question.

Mr. MATTHEWS: All right.

Mr. HEAPS: There is a little matter I should like to draw to the attention of the committee and the minister in connection with the administration of the income tax. I have had this matter up with the minister but I do not regard as satisfactory the replies I have received. Deductions in income tax returns are allowed to those who donate to charity. It has been brought to my attention that members of certain unions have been giving part of their earnings towards relief of the unemployed membership of their organizations. I know of instances where members of a union have given as much as $454 towards relief of their unemployed membership. This matter was brought to the attention of the income tax officials, but these men who had been giving a fairly considerable part of their earnings each year to the relief of the unemployed were taxed for that portion which they had voluntarily donated. If these men had not voluntarily assessed themselves to the extent of fifteen or twenty per cent of their earnings in order to maintain their own unemployed membership, those unemployed individuals would have become a charge upon the state. It is unfair that these men should be assessed on these donations for income tax purposes. Perhaps a strict interpretation of the law as it exists leaves open to the officials no other course than to assess such donations. If the law is inflexible I should like to know whether the minister will give an undertaking to bring down an amendment to the act to provide that when a member of a union or any other person donates part of his salary or wages to the maintenance of unemployed, that donation shall be treated in exactly the same way as gifts to churches, the Y.M.C.A. or similar organizations.

Mr. MATTHEWS: This department simply carries out the laws and statutes enacted by parliament. What he is suggesting is something which should be referred to parliament or to the Minister of Finance (Mr. Rhodes). This department is simply administrative.

Mr. RALSTON: Following that up I should like to ask the minister if his department has carried out the law with regard to the decision given by the tariff board in the jute twine case?

Mr. MATTHEWS: I would say that we have carried out the law. An appeal has been entered, and until it is decided, this department is not in a position to act.

Mr. RALSTON: Does the minister suggest that there has been an appeal from the decision of the tariff board?

Mr. MATTHEWS: We are advised that there is an appeal.

Mr. RALSTON: Why has it not been proceeded with?

Mr. MATTHEWS: That is not within the jurisdiction of this department; we are merely administrative.

Mr. RALSTON: Did the department launch the appeal?

Mr. MATTHEWS: No.

Mr. RALSTON: Who did?

Mr. MATTHEWS: The appeal was launched by interested parties, not by the department.

Mr. RALSTON: Who were the interested parties?

Mr. MATTHEWS: The interested parties were Doon Twines Limited, I think of Kitchener. The hon. member for North Waterloo (Mr. Euler) could tell the committee where they are situated.

Mr. EULER: I believe that Doon Twines Limited were the first firm to appeal against the decision of the tariff board. I fancy my hon. friend refers to an appeal on the part of the department against the decision of the tariff board. Was there an appeal by the department?

Mr. MATTHEWS: There was no appeal on the part of the department.

Mr. EULER: There is one question I should like to ask, not only with regard to this particular concern but with regard to other companies. These companies felt that dumping duty should not be applied on their importations from Great Britain. The law passed last session stated that the dumping duty provision should not apply under the empire agreements. I should like to know whether the department is accepting the ruling of the tariff board with regard to these matters and, if so, whether it has made refunds in accordance with that ruling.

Mr. MATTHEWS: It is quite evident that that cannot be done until the appeal is heard.

Mr. EULER: Then the department is making the appeal?

Mr. CASGRAIN: Who is making the appeal?

Mr. MATTHEWS: The department is not making an appeal.

Mr. EULER: The tariff board has made a decision. If the department accepts that decision, refunds will have to be made. If the department is not making those refunds, then it must be appealing against the decision of the tariff board. I should like to know whether any such appeal has been made by the department and, if not, whether the department intends to make refunds according to the decision.

[Mr. Matthews.]

Mr. CASGRAIN: Call for Mr. Breadner.

Mr. MATTHEWS: I can only repeat that no appeal has been made by this department against the decision of the tariff board.

Mr. EULER: I have no desire to embarrass the minister, as I realize he has not been very long in his present position.

Mr. MACKENZIE (Vancouver): Ask the Minister of Finance.

Mr. EULER: I think we should know whether the department is accepting the decision of the tariff board. If it is, then of necessity it must make a refund of the duty improperly collected.

Mr. MATTHEWS: Not while the case is sub judice; not while an appeal is pending.

Mr. EULER: What appeal?

Mr. CASGRAIN: In what court has it been launched?

Mr. MATTHEWS: It is an appeal by Doon Twines Limited.

Mr. EULER: A decision has been given by the tariff board in the case of Doon Twines Limited.

Mr. GUTHRIE: That is correct, and an appeal was launched by that company to the president of the privy council. The appeal has not yet been heard. My recollection is that section 58 of the Customs Act provides that until an appeal is disposed of, a decision does not become operative.

Mr. EULER: And there is no refund until that time?

Mr. GUTHRIE: I do not know whether there is a refund, but I know that is the provision of the section.

Mr. STEWART (Edmonton): Did Doon Twines Limited succeed before the tariff board and obtain a reduction of duty?

Mr. GUTHRIE: They did not succeed; the decision was against them and they appealed. The act provides that any party interested may appeal and they appealed as an interested party.

Mr. RALSTON: What entry was it that was carried before the tariff board? Who was the importer?

Mr. MATTHEWS: It was made on the entry of an importer in Montreal.

Mr. RALSTON: Who?

Mr. MATTHEWS: I think there were two entries; one by Thomas Bonar and Company.

Mr. RALSTON: I should like to know. We will be some time on this item and I should like to know if the Thomas Bonar case was the first jute twine case.

Mr. MATTHEWS: Yes, it is known as the Bonar case. That was the first case.

Mr. RALSTON: The department assessed these importers the full dumping duty, claiming that a fixed valuation for duty purposes, which had been made by the minister, was applicable to that particular importation. Is that correct?

Mr. MATTHEWS: Yes, I think that is correct.

Mr. RALSTON: What was the date of the entry?

Mr. MATTHEWS: It was long before my time and I am not as familiar with the matter as I might othewise be, but I think it was some time last summer.

Mr. RALSTON: Was that entry based on a ministerial order which had increased the original order that the minister had made fixing the value for duty purposes?

Mr. MATTHEWS: I am informed that it was based on a value fixed by the then minister under the authority of an order in council.

Mr. RALSTON: Was it the second order which had been made by the minister? There were two orders. He made an order in the first place fixing the value for duty purposes, soon after the order in council was passed authorizing the minister to make an order of that kind; and later, I understand, the minister made another order which in effect increased the value for duty purposes.

Mr. MATTHEWS: That was long before my time; I have not the papers.

Mr. RALSTON: I do not expect the minister to have personal knowledge of it at all.

Mr. MATTHEWS: I am afraid I cannot answer the question.

Mr. RALSTON: Could the minister get the information from the officers?

Mr. MATTHEWS: Yes; I shall be glad to.

Mr. RALSTON: Can the minister get it to-night for us, on the floor?

Mr. MATTHEWS: I am afraid I cannot get it to-night.

Mr. EULER: What is the total number of appeals made against the imposition of the dumping duty in that connection?

Mr. MATTHEWS: I am informed that that does not come under our department.

Mr. RALSTON: In order that the minister may understand what I have in mind,—probably he has been in the department long enough to know the general setting of the case—may I give an outline of it? As I understand, in 1931 an order in council was passed, P.C. 2874, which authorized the minister—not this minister but his predecessor—to fix a value for duty purposes of jute twine under section 43, and I understand that following that, on November 30, 1931, an order was made by the minister fixing the value for duty purposes of jute twine. So that it may be on the record, I will read that order:

Section 43, Customs Act
Jute Twine
Order in Council (P.C. 2874)
30th November, 1931
Minimum Value for Duty

Under authority granted by order in council (P.C. 2874) dated 30th November, 1931, I hereby fix the minimum value for duty of Jute Twine as follows:—

	Sterling per lb.	U.S. currency per lb.
Twines made from 1 lea yarns sometimes known as No. 48 yarns from coarser yarns yarns such as ¾ lea (72 lb.) or ½ lea (96 lb.)	4·1d	7·0c
Twines made from 2 lea (24 lb.) yarns..	5·3d	9·0c
Twines made from 3 lea (16 lb.) or 4 lea yarns (12 lb.) or finer yarns.. F.O.B. factory.	7d	11·8c

The above values not to apply to importations bona fide purchased on or before date of issuance of the bulletin and imported and entered at Customs within one month thereafter.

Dated at Ottawa, this 3rd day of December, 1931.

Sgd. E. B. Ryckman,
Minister of National Revenue.

Following that order there appeared appraiser's bulletin, No. 3783, which was sent to me by Mr. Blair, the assistant commissioner, recently. That bulletin contained the values for duty purposes set out in the minister's order of November 30, 1931. Now here is the point. That order which was made in 1931 applied to all importations of jute twine. On November 25, 1932, this house passed an act which amended section 43 and provided in effect that that section should not apply

to goods entitled to come in under the British preferential tariff. As I say, that was in November, 1932. My information is that notwithstanding that that new act had been passed, the minister in 1933 issued a further order altering the price upwards for duty purposes of jute twine. This was done after the previous act had been repealed and a new act had been passed which did not permit the fixing of value for duty purposes of goods coming under the British preferential tariff. In spite of that new act the minister issued a new order purporting to be under section 43 of the Customs Act. Although section 43 of the Customs Act contained no provision permitting the fixing of value for duty purposes of goods coming under the British preferential tariff, this new order was issued by the minister increasing prices, and so that it may be on the record I will read it:

Department of National Revenue, Canada
Ottawa, 20th May, 1933.

File No. 176762

Supplement to be attached to Appraisers' Bulletin No. 3783.

Note that it is a supplement to the appraiser's bulletin issued in 1931 under the old act, although the old act had been repealed and a new act had been passed, providing that the fixing of value for duty purposes was not to apply to British preference goods.

Jute Twines

It having become apparent that certain importers are circumventing the spirit and intention of Appraisers' Bulletin No. 3783, the Minister of National Revenue, under the authority of section 43 of the Customs Act and Order in Council P.C. 2874, dated the 30th day of November, 1931, has fixed the following minimum values for duty:

	Sterling per lb.	U.S. currency per lb.
Twines made from yarns sometimes known as 1 lea-48 lb. (to include all twines made from 43 lb. yarns and coarser)	4·1d	7·0c
Twines made from yarns sometimes known as 2 lea-24 lb. (to include all twines made from yarns finer than 43 lb. but not finer than 21 lb.)	5·3d	9·0c
Twines made from yarns sometimes known as 3 lea-16 lb. or 4 lea 12 lb. (to include all twines made from yarns finer than 21 lb.)	7d	11·8c

The provisions of section 6 of the Customs Tariff Act to apply, and importations of such twines shipped on consignment, without sale prior to shipment, so as to evade the payment of special duty, to be subject to the same special duty as if the goods had been sold prior to shipment.

[Mr. Ralston.]

Values in accordance with the foregoing are not to apply to importations bona fide purchased on or before this date and in transit to Canada within two weeks thereafter.

Sgd. E.B.R.

On May 20, 1933, Bulletin No. 176762 was issued containing exactly the same value for duty purposes, and signed by R. W. Breadner, commissioner of customs. As I understand the matter, about that time or soon after this firm imported jute twine into Canada and notwithstanding the fact that, under the British preference, under section 43, the goods did not come within the provision permitting the minister to fix a value for duty purposes, a value was placed on those goods, the value provided in the minister's order, after the act had been repealed, and the firm was compelled to pay that duty. Then I understand the firm appealed; they went to the tariff board and the board rendered a decision on November 4, 1933. This decision, which appears in the Canada Gazette, is as follows:

The tariff board sitting on appeals, on the 30th October, 1933, under the provisions of part II of the Tariff Board Act, ruled, on the same date, as hereunder:—

In the matter of appeal No. 19 by Thomas Bonar and Company (Canada) Limited, Montreal, respecting the value for duty purposes of jute twines, that the appeal must be allowed, on the ground that appraiser's bulletin No. 3783 of 3rd December, 1931, ceased to be in effect upon 23-24 George V, chapter VII coming into effect, and, that appraiser's bulletin (supplement A to 3783), dated May 20, 1933, was without jurisdiction and never had any force or effect.

Edgar Bournival,
Registrar of Appeals.

Ottawa, 31st October, 1933.

The minister, I understand, says that Doon Twines Limited appealed from that decision.

Mr. MATTHEWS: Yes.

Mr. RALSTON: When was that appeal made?

Mr. MATTHEWS: It was made shortly after the decision and well within the statutory limit of the time for an appeal.

Mr. RALSTON: Why has that appeal not been heard?

Mr. MATTHEWS: I cannot answer that.

Mr. RALSTON: Can the minister not give me an idea how long it has been before the privy council or how long the appeal has been launched?

Mr. MATTHEWS: I cannot give the date, but it is not long ago; it is some weeks ago.

Mr. RALSTON: Perhaps the Minister of Justice could tell us.

Mr. GUTHRIE: The appeal was put in some time in November. The way in which it came to my knowledge was that it was asked whether the Canadian Manufacturers' Association were parties interested under the section and had a right to appeal, and it was decided that they had not. I think it was at that time the twine company itself appealed; it would be in November.

Mr. RALSTON: Can the Minister of Justice tell us why it has not been heard?

Mr. GUTHRIE: I do not know.

Mr. RALSTON: Can he tell us whether his department has advised that under the statute there is no appeal in the case?

Mr. GUTHRIE: There is no argument on that; I do not think we have advised anybody on the question.

Mr. RALSTON: Has the department been asked to advise anybody?

Mr. GUTHRIE: We would not advise a private applicant. As I understand the matter, the Department of Justice is there for advising the various departments of the government and not individuals.

Mr. RALSTON: Has the minister advised the Department of National Revenue?

Mr. GUTHRIE: No; I have not been asked to do so.

Mr. RALSTON: Does the minister mean to tell me that because a private individual has simply filed a notice of appeal under a section which, to say the least, is questionable —and I do not think the minister for a single instant will as a lawyer suggest here that there is an appeal—the Department of National Revenue have not made the refund although it was awarded by the tariff board, and have kept on charging the duty, notwithstanding the fact that there is no appeal and the Department of National Revenue have not even asked the Department of Justice for a ruling? Will the Minister of National Revenue tell me whether his department have ever asked the Department of Justice whether the appeal to the privy council is worth the paper it is written on?

Mr. MATTHEWS: We have not asked the Department of Justice.

Mr. CAHAN: The appeal is lodged and it is for the privy council to decide.

Mr. RALSTON: I would think the Department of National Revenue, which has been given an order by the tariff board which, we were told last year, was an extremely august body, would pay some attention to a decision of that board and would not permit a frivolous appeal of an individual to prevent it from doing its duty in obeying the order of that board.

Mr. MATTHEWS: I certainly did not understand that it was a frivolous appeal. I would ask the hon. member for North Waterloo whether he regards it as a frivolous appeal.

Mr. RALSTON: Did my hon. friend take any action in connection with the appeal? Did he send out any notices or give any instructions having regard to the fact that the tariff board had given a decision and ordered a refund? He must have told somebody not to make the refund.

Mr. MATTHEWS: We were advised that, an appeal having been made to the privy council—

Mr. RALSTON: By whom was the minister advised?

Mr. MATTHEWS: I think the appeal was made before I took office.

Mr. RALSTON: I know that, but the minister can find out from his officers. My hon. friend tells me he knew the appeal was made. He must have known in some official way or he would surely have followed the plain order of the tariff board on an appeal made from a decision of his officers, overruling that decision. He certainly would have obeyed that order unless he had some official notice of an appeal and some advice that the appeal was substantial.

Mr. MATTHEWS: All I can say at the moment to the hon. member is that when I came into the department I was advised that there was an appeal. It was known in the department, but just who advised me or how I was advised, I cannot recall.

Mr. RALSTON: What instructions did the minister give with regard to the ruling that had been made by the tariff board ordering a refund to those importers?

Mr. MATTHEWS: I cannot say what the former minister did in the matter.

Mr. RALSTON: Then I will deal with the case which I think the minister himself was dealing with. I have before me section 54 of the act under which this appeal is supposed to have been launched:

Whenever any difference arises or whenever any doubt exists as to whether any or what rate of duty is payable on any class of goods,—

Not what value for duty purposes.

—and there is no previous decision upon the question by any competent tribunal, binding throughout Canada, the board of customs—

Which is now the tariff board.

—may declare the rate of duty payable on the class of goods in question, or that such goods are exempt from duty, subject in each case to an appeal within sixty days from date of such declaration, by any person interested, to the governor in council; and any such declaration of the board of customs when approved by the minister after the expiration of sixty days from the date thereof, or any such declaration when made by any order in council upon appeal, shall have force and effect as if the same had been sanctioned by statute.

I presume the minister has looked at the section by this time. I ask him quite frankly, and not as a lawyer: has he the slightest idea that there is an appeal to the privy council from the decision of the tariff board in this Bonar case?

Mr. MATTHEWS: I am informed that there is an appeal.

Mr. RALSTON: I mean that in law there is ground for appeal.

Mr. MATTHEWS: I am not a lawyer.

Mr. RALSTON: Is my hon. friend informed that there is? If so will he tell me who informs him? What law officer of his or of the government informs him that that appeal which is alleged to have been launched by Doon Twines is any good?

Mr. MATTHEWS: I cannot answer as to whether the appeal is any good.

Mr. RALSTON: I am asking if any law officers have advised him that any appeal lies from the tariff board in that case.

Mr. CAHAN: Mr. Chairman, it seems to me that the hon. member is assuming a very equivocal position. If an appeal is launched to the privy council then it certainly is not for the department to determine whether or not that appeal is valid. It is a question for the privy council to decide, whether on the advice of the law officers of the crown or of itself, as to whether that appeal is valid. If an appeal is made, and that appeal is valid, then sixty days must elapse in which that refund could not legally be made. It is for the privy council to decide the question whether it has jurisdiction or not.

Mr. RALSTON: Does my hon. friend really argue seriously that an appeal court is to decide whether there is an appeal to it?

[Mr. Ralston.]

Mr. CAHAN: Certainly. I know of no appeal court that has not to decide time and time again whether an appeal to it is properly launched.

Mr. RALSTON: Suppose some decision were made by the tariff board or some other body and an appeal were launched to the privy council as to whether or not they had jurisdiction under the statute, so long as notice is given to the privy council then everyone would have to stand still until privy council decide?

Mr. CASGRAIN: Stalling for years.

Mr. RALSTON: Surely my hon. friend does not mean it.

Mr. CAHAN: If an appeal has been asserted, I certainly do. Any suggestion to the contrary seems to me to be frivolous.

Mr. RALSTON: I am not going to argue with my hon. friend, who is a much more experienced lawyer than I am. But I put it as a simple proposition that if someone takes a notion to give notice of the launching of an appeal to the privy council on something which is not within the statute at all—

Mr. CAHAN: Who is to say? Are we to take the opinion of the hon. gentleman?

Mr. RALSTON: No, I suggest a method.

Mr. CAHAN: The hon. gentleman is basing his whole argument on his individual opinion as to whether or not the appeal is within the statute.

Mr. RALSTON: I am basing my argument on the fact that this government seems to have taken particular care not to ask the law officers of the crown. I would think that would be the source to which they would go, and the fact that they have not done so plainly shows they know perfectly well that there is no appeal.

Mr. CAHAN: When the appeal comes up they probably will.

Mr. RALSTON: I assure my hon. friend that the appeal will never come up. I will come to the next case to show that. It is simply a case of bluffing and stalling.

Mr. CAHAN: My hon. friend is carried away by his own imagination.

Mr. RALSTON: That will not get me off the track. I am talking about one simple situation; I want to know why the department stood stock still because Doon Twines wrote a letter to the privy council and said: "We want to appeal from that decision",

although he himself never even took the trouble to find out whether an appeal lay or whether that letter was worth the paper it was written on. Will my hon. friend tell me that?

Mr. CAHAN: That is an absolutely unfair question.

Mr. JACOBS: Mr. Chairman, I do not wish to rush in where angels fear to tread, but it seems to me there is a misconception here. When the hon. member for Shelburne-Yarmouth (Mr. Ralston) refers to the privy council I understand he is referring to the governor general in council, in other words the cabinet, not to the judicial committee of the privy council. So the question is, has an appeal been taken to the cabinet?

Mr. CAHAN: It has, yes.

Mr. JACOBS: Then it is for the cabinet to decide whether they have jurisdiction or not; that is another matter for the authorities to deal with when they come to it.

Mr. CAHAN: Yes, that decision is pending.

Mr. JACOBS: The difference is between the judicial committee of the privy council, for which I have the greatest respect, and the governor general in council, for whom I also have some respect. But there is a difference. The question then is, can Doon Twines appeal to the cabinet or can they not. I suppose there will be a decision one way or the other by the cabinet. My hon. friend the Minister of National Revenue is a member of that body. So that Doon Twines will be appealing to the governor in council from the decision of the tariff board, that is all there is to it; and it is for the government to say whether they will grant that appeal or not. I think I know pretty well by now what the decision is going to be.

Mr. GUTHRIE: The question will then be decided whether there is an appeal. It is not such an easy question to decide. The wording of the clause cited by my hon. friend, on which he says there is no appeal in this case, is: "as to whether any or what rate of duty is payable." Dumping duty is defined in the interpretation clause as a rate of duty. It is not just as clear as my hon. friend would have us believe, that there is no appeal. I do not say it is clear either way; it is a very doubtful matter, but when the matter does come before the privy council the question whether or not there is an appeal will certainly be decided. If there is an appeal the matter will be heard on its merits. If there is no appeal, that is the end of it.

Mr. RALSTON: Does my hon. friend suggest that the customs appraisers are going to keep on fixing value for duty purposes in accordance with the minister's order until the privy council—

Mr. GUTHRIE: Yes, and I do not think there will be any unreasonable delay. Sixty days are allowed and there have been about ninety.

Mr. RALSTON: Sixty days allowed for notice.

Mr. GUTHRIE: Yes, for the notice alone, and there have been about ninety.

Mr. RALSTON: But the notice does not hold things up. I do not see the section my hon. friend refers to which prevents the Minister of National Revenue from acting.

Mr. GUTHRIE: I do not think the minister could act until that appeal is decided.

Mr. RALSTON: Is it so that notwithstanding the fact that the tariff board has given a decision the minister will not act on it until some doubtful appeal to the privy council is decided?

Mr. GUTHRIE: If blame is to be attached to anyone, I think the privy council might have acted a little sooner; I grant that, but the facts are as I have stated.

Mr. RALSTON: Well, Mr. Chairman, that is one case. We have it that up to the moment the department has not asked any legal adviser as to whether the Doon Twines appeal is good or not.

Mr. JACOBS: They have asked the tariff board.

Mr. RALSTON: What is the use of the tariff board? Apparently the department are still imposing and insisting upon that fixed value for duty purposes on jute twine.

That was followed by another case, that of the Commercial Twine Company, I think they were the importers. That was brought before the tariff board and heard on January 9, 1934. Will the hon. minister tell me if he had any communication with the tariff board in regard to that case?

Mr. MATTHEWS: We had advice of their decision, and the same point was involved.

Mr. RALSTON: Then I ask the minister if he had any communication with the tariff board with regard to that case before the decision was made.

Mr. MATTHEWS: No.

Mr. RALSTON: Was he represented?

Mr. GUTHRIE: Perhaps I can answer that question. There was a communication arising, I think, through certain statements reported to have been made by Judge Sedgewick complaining that no one had appeared before him on behalf of the department, and that he had not had the advice of the law officers of the crown. This was reported in the newspapers as a complaint, and I asked my deputy minister to communicate with Judge Sedgewick and ascertain just what his language implied, because I did not know that I was to be considered the adviser of an independent body such as the tariff board. My deputy minister did communicate with Judge Sedgewick and he said he had made no reference whatever to the law officers of the crown; the newspapers had published that statement but there was no authority for it. But Judge Sedgewick did say that he had not had the benefit of the view of counsel on behalf of the Department of National Revenue, and it was suggested, I think by my deputy minister, that if the Department of National Revenue desired to be represented we would place at their disposal Mr. Varcoe of the Department of Justice, and I think Mr. Varcoe subsequently did appear to represent the Department of National Revenue upon some of these applications.

Mr. RALSTON: Then I take it that what the Minister of Justice has just said applies to this case of the Commercial Twine Company, that Mr. Varcoe did appear as representing the Department of National Revenue. Is that correct?

Mr. GUTHRIE: He did appear in one case subsequent to that intimation from Judge Sedgewick, but I cannot recall the particular case.

Mr. RALSTON: I want to be clear about this, because I thought the minister did have somebody representing him in the Commercial Twine Company case.

Mr. MATTHEWS: I am advised not.

Mr. RALSTON: That case was heard on January 9, 1934. It was in respect, so I am informed, of an entry made on November 7, 1933, and an amended entry made on November 13, 1933. There again, as I understand it, the amended entry was demanded by the department on the ground that the minister had made an order in May, 1933, six months after section 43 had been repealed, fixing a special value for duty purposes. The board, notwithstanding the outstanding appeal to the privy council, made a decision. They did not seem to regard that appeal very seriously; they did not wait, as the Department of National Revenue did, because the Doon Twine Company happened to appeal. They rendered their decision on January 20, as follows:

In the matter of entry No. 29165A, bearing date of November 13, 1933, in respect of an entry for home consumption of goods exported to Canada direct from Great Britain via Montreal, imported by the Commercial Twine Company, Limited.

Upon the application of the Commercial Twine Company, Limited, made the ninth day of January, 1934, at a hearing called for the purpose of considering the application, in the presence of L. A. Wilmot, representing the Commercial Twine Company, Limited—

My hon. friend is right; no one appeared for the department.

—no one appearing for the Department of National Revenue, although duly notified—

Notice that.

—and, it appearing to the tariff board that the goods described in said entry number 29165A have been allowed entry at an erroneous valuation and that the provisions of the Customs Act requiring the appraisal of the said goods at the true and fair market value thereof have not been complied with in that the appraiser or collector erroneously acted under the provisions of section 43 of The Customs Act, which section does not apply to goods entitled to entry under the British preferential tariff, the goods described in the said entry number 29165A being goods entitled to entry under the British preferential tariff,—

1. The board hereby appraises and values the said goods, being 10 bales jute twist wholly or in part of vegetable fibre generally used for packaging, not containing silk or wool, at the invoice value thereof in currency of invoice namely, £29.9.10, the value for duty of the same in dollars being $129, and the rate of duty being 20 per cent ad valorem less 10 per cent, and, the board declares that the total customs duty properly payable upon the said importation was and is $23.22, and that the duty paid value of the said goods is $152.22.

2. And the board hereby directs an amended entry giving effect to the appraisal and valuation hereinbefore set forth and that the Department of National Revenue do forthwith refund to the Commercial Twine Company, Limited, the sum of $16.57, being the difference between $39.79, and amount of customs duty paid in respect of said entry number 29165A, and $23.29, the amount of customs duty properly payable in respect of the goods covered by the said entry.

By order of the Tariff Board,
Edgar Bournival,
Registrar of Appeals.

Certified a true copy.
Edgar Bournival,
Registrar of Appeals.

That decision was given January 20, and the minister was not represented. I want to ask the minister if he had any communication with the tariff board, advising them that he was not attending or that an appeal had been launched, or giving any reason why he paid no attention to the previous ruling of the tariff board.

Mr. MATTHEWS: I am informed that we filed a brief in the ordinary way in connection with this case.

Mr. RALSTON: Would the minister bring down the brief?

Mr. MATTHEWS: I shall be very glad to get it for my hon. friend.

Mr. RALSTON: Would the minister tell me whether or not the brief referred to the appeal having been launched?

Mr. MATTHEWS: I am informed that it dealt with the appraisal.

Mr. RALSTON: And the minister does not know whether or not it dealt with the appeal?

Mr. MATTHEWS: I am informed not.

Mr. RALSTON: By whom was the brief prepared?

Mr. MATTHEWS: The brief was prepared by departmental officers.

Mr. RALSTON: Can the minister tell me by whom? I want to know whether or not it was one of the law officers.

Mr. MATTHEWS: I am informed that it was by an appraiser, not a law officer.

Mr. RALSTON: Then the fact is that the minister had a decision given against him by the tariff board and an appeal was launched by somebody else, but the minister allowed another case to go before the tariff board without having anyone appear in his behalf and without taking any advice as to whether or not the appeal was valid; he just had somebody send down a memorandum to the tariff board. That was the only respect, courtesy or attention paid by the department to the decision by the tariff board. Is that so?

Mr. MATTHEWS: Pending the decision of the privy council the department felt that it could not move in the matter.

Mr. RALSTON: Then I will ask the minister this: Was he advised by any law officer that there was anything to prevent him from moving in the matter and making the refund which had been ordered?

Mr. MATTHEWS: I do not recall being advised in that regard.

Mr. RALSTON: Does the minister recall asking for advice?

Mr. MATTHEWS: No.

Mr. CAHAN: Evidently the hon. gentleman thinks he is indulging in a little police court practice, with some witness before him of whom he can ask petty and frivolous questions. The minister has already explained the situation; he had nothing to do with the second case being brought before the tariff board. It was not brought before the board at his instance, but, the tariff board having again decided as in the first case, that later decision certainly was not to be acted upon when a similar decision had been appealed from and was then pending before the privy council. It is within the jurisdiction of the privy council to decide whether the appeal was properly lodged or, if properly lodged, as to what decision should be given thereon. It seems to me altogether unfair, when the minister is not a lawyer and makes no pretensions to professional experience, that he should be asked these frivolous questions when all the papers can be brought down at a later date.

Mr. RALSTON: I expected that somebody would come to the rescue, not of the minister, but of the department and the government in this connection, but I did not expect that I should receive the sort of abuse I have received from the Secretary of State, because he is not accustomed to doing that sort of thing.

Mr. CAHAN: I am not, but the hon. gentleman provokes it with these frivolous questions.

Mr. RALSTON: My hon. friend is provoked by the absolute stupidity which has been displayed by the department, and I think he is just about as much ashamed of it as any man in Canada who knows the circumstances. I do not think there ever has been a case of more gross flouting of a body which has been set up by this government, and which we were told last year was going to be the finest tribunal that one could possibly imagine. There has been no respect of any kind shown towards the tariff board. Instead, flouting has been done that could only be done to try to bring the board into disrepute because the high tariff policies of some members of the government have been affected by some of the decisions of the board.

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

Mr. RALSTON: Certainly.

Mr. CAHAN: The hon. gentleman knows that the jurisdiction which the tariff board exercises in this case is the jurisdiction, or is alleged to be the jurisdiction, which the old customs board exercised, and it is an entirely different jurisdiction from that which the tariff board usually exercises under the statute constituting it. If it is a case of rates, and if it came within the jurisdiction of the old board, then the decision of the tariff board is in fact the decision of the customs board, or rather it is the decision of the tariff board acting as a customs board, from which an appeal lies. Therefore, if my hon. friend will look at the circumstances under which this appeal was lodged, and if he will refer to the questions raised in the hearing now pending before the privy council, he will notice that this is an entirely different jurisdiction from the jurisdiction usually exercised by the tariff board as a tariff board. That case led to a decision by the tariff board with regard to its own jurisdiction which may be right or may be wrong. But this appeal having been lodged to the privy council, the minister as the head of his department certainly had no jurisdiction while that appeal is outstanding to order any return of the excess duty alleged to have been collected. If my hon. friend wishes to direct his criticisms to the proper place, certainly let him direct them to the privy council, and not to the minister who only within the last few weeks has entered into a new office presenting very many complicated details with which no man could familiarize himself in the short time during which these matters have been committed to his care.

Mr. RALSTON: I am sure that my hon. friend's tone in his last remarks was quite different from the tone in which he previously addressed this house. I sat down because he asked me to allow him one moment, and I listened to him courteously. I do not think there is any difference between the Secretary of State and those of us on this side of the house who are dealing with this matter so far as consideration for the Minister of National Revenue is concerned. The minister knows perfectly well that there is no desire to take advantage of him because he happens to be new in his department. The desire simply is to endeavour to get this information from the minister who is in charge of the department, assuming that he will get it from his officers, and I can assure him that we do not think he needs the assistance of the hon. Secretary of State.

[Mr. Cahan.]

Mr. MACKENZIE (Vancouver): Better without it.

Mr. RALSTON: I just want to deal with what the Secretary of State said. I do not quite see the relevancy of his remarks as to the different jurisdiction of the tariff board. The jurisdiction of the tariff board is the jurisdiction exercised by the board of customs, and as I have pointed out it did not seem as if there was any appeal from the board of customs in connection with an appraisement under a ministerial order fixing the value for duty purposes.

Mr. CAHAN: As to whether the value fixed for duty is a rate or not, that is a very nice question.

Mr. RALSTON: All I am saying is that the evidence that there is not a scintilla of a nice question in this case is the fact that this government have studiously refrained from asking any of the responsible law officers about it. The Minister of Justice has not yet offered his opinion in regard to it. There is the appeal outstanding. I take issue very respectfully and very deferentially with the Secretary of State because of his great legal knowledge and capacity and experience, but I do take issue with him nevertheless when he suggests that the appeal in any way binds the department from acting on the decision which has been made by the tariff board making the appraisement after that time illegal.

Mr. CAHAN: My hon. friend will admit that nobody will be prejudiced by waiting.

Mr. RALSTON: Nobody except the importers and the people in this country who will be charged just that much higher duty in the meantime, and will find it just that much more difficult to get a refund. It means that the jute twine industry will be enjoying its protection just that much longer. The only people who are being hurt by waiting are the consumers on the one side; and on the other hand, the manufacturers in Canada are benefiting from the protection because of the delay. Outside of that the appeal might just as well stand for years. Why hear the appeal at all? Why not go on assessing the higher duties if it is perfectly all right, on the ground that the appeal is there and that some day we may come to it? My hon. friend knows, or we will guess, that that appeal will never be heard.

Mr. CAHAN: Will the hon. gentleman allow me a moment? I took an interest in the matter because for many months during the very serious illness of the late Minister of

National Revenue I was acting minister, and although none of these matters are matters of decision by me I know of the question which the hon. gentleman is discussing. I have heard it discussed in the department and I have considered it myself. I think there is a very nice legal question involved.

Mr. MACKENZIE (Vancouver): Police court question.

Mr. CAHAN: It is a question so very substantial under the circumstances that ordinary police court discussion is out of place. I think it is only fair to allow the new minister ample time to have access to the documents and ascertain the facts which are not necessarily within his knowledge because of the very recent date on which he assumed office.

Mr. RALSTON: Surely the hon. Secretary of State did not expect the estimates of the National Revenue department to go through, after all there has been in the newspapers and all that everybody has known about this case, without the matter coming up.

Mr. CAHAN: No, but the hon. gentleman might give the minister time to look into the matter.

Mr. RALSTON: Certainly. The only time we asked the minister for documents he said that he would get them later, and that is perfectly satisfactory to me. It is his colleagues who have put him into estimates tonight. I have no doubt that he is personally glad that this matter has come up so that he can get all the documents and familiarize himself with them as much as he can in the time at his disposal. It was for that purpose that I got up in the first place, to outline the case as I saw it, so that the minister might have the opportunity, as I told him at the time, of getting his documents together and checking up the statements I was making so as to be able to give to the committee whatever explanation he thought he could give.

Now I want to refer to the third case. The third case is a case, not of jute twine, but of felt hats, which was just decided yesterday, I understand. Here again I shall have to ask the minister for information. Probably he has not got it now, but he can get it later. As I understand it, a ministerial order was made under section 43 fixing the value for duty purposes. Does the minister know whether that ministerial order was made after the act had been repealed?

Mr. MATTHEWS: I am informed it was made before.

Mr. RALSTON: Was there any amendment to that order?

Mr. MATTHEWS: I think not.

Mr. RALSTON: As I understand it, an order was made by the governor in council authorizing the minister to fix values for duty purposes. The minister fixed values for duty purposes before the act was repealed, and the customs officer continued to follow that order and to fix values after the repeal of the act which was the foundation for the minister's order. Is that the correct situation?

Mr. MATTHEWS: I am informed that that is substantially correct.

Mr. RALSTON: I understand that an appeal was launched. Was that launched by an importer, by a manufacturer of by the department?

Mr. MATTHEWS: It was launched by an importer.

Mr. RALSTON: I think the minister is wrong about that.

Mr. CAHAN: There was an appeal to the tariff board by an importer.

Mr. RALSTON: A decision was made originally by the customs appraiser. Then someone must have gone to the tariff board; who was that, an importer?

Mr. MATTHEWS: An importer.

Mr. RALSTON: He claiming that, since these goods were imported from Great Britain, the ministerial order did not apply under section 43 as amended in November, 1932; was that it?

Mr. MATTHEWS: Yes.

Mr. RALSTON: I notice in the Montreal Gazette of this morning that the tariff board has decided for the third time that the department was not justified in appraising British goods on the basis of the ministerial order fixing values for duty purposes. I understand that is the effect of the decision.

Mr. MATTHEWS: I have not seen an official copy of the decision of the tariff board.

Mr. RALSTON: I take the minister's statement just as he makes it. I have not seen the official decision; it is simply a report in the Montreal Gazette. Can the minister tell me if an appeal has been launched in the second case, that of the Commercial Twine Company, decided on January 20?

Mr. MATTHEWS: I do not know whether any appeal has been launched, but the same point is involved.

Mr. RALSTON: No appeal has been taken to the privy council?

Mr. MATTHEWS: Not that I am aware of.

Mr. RALSTON: The department has not taken an appeal, and so far as the minister knows, no producer has taken an appeal. Could the minister tell me upon how many articles coming in from Great Britain this fixing of values for duty purposes applies? To how many articles does section 43 as amended in November, 1932, apply?

Mr. MATTHEWS: I think to about ten or twelve.

Mr. RALSTON: Could the minister tell us what they are? If he has not that information at the present time, could he bring it down when his estimates are again under consideration?

Mr. MATTHEWS: Yes.

Mr. RALSTON: I understand that notwithstanding the decision of the tariff board in the jute twine case given in November last and again in January, the department is still fixing values for duty purposes on goods coming from Great Britain at the rate authorized by the ministerial order issued before the amendment to the act.

Mr. MATTHEWS: Yes, pending the decision referred to.

Mr. RALSTON: That refers to only one thing, jute twine.

Mr. MATTHEWS: I believe the same point is involved.

Mr. RALSTON: Notwithstanding that the same point is involved and that the department has three decisions of the government's own tariff board against it, it is still imposing that duty on fourteen different articles. I should like to refer to tinplate. As I understand it, the question in this case was whether the goods imported were goods of a class or kind made in Canada; is that correct?

Mr. MATTHEWS: Yes.

Mr. RALSTON: Notwithstanding the fact that the plant at Ojibway had been closed, the appraisers gave a decision that this tinplate was of a class or kind made in Canada and therefore the dumping duty and an extra five per cent was imposed.

Mr. MATTHEWS: There were still unsold stocks on hand.

Mr. RALSTON: Stocks unsold?

Mr. MATTHEWS: Yes.

[Mr. Matthews.]

Mr. RALSTON: Where were they? We desire these particulars, but perhaps I should not ask the minister at this time.

Mr. MATTHEWS: I cannot give that information.

Mr. RALSTON: Will the minister bring down the records of his department with regard to stocks on hand in Canada?

Mr. MATTHEWS: Yes.

Mr. RALSTON: Has the minister received any advice to the effect that stocks on hand in Canada qualify under the tariff item as goods of a class or kind made in Canada?

Mr. CAHAN: I should like to ask a question of the hon. gentleman. If a factory has been manufacturing a particular class of commodity and closes down temporarily with a large stock on hand, would not that be a case in which there were goods for sale of a class or kind made in Canada?

Mr. RALSTON: I refer my hon. friend to the decision of the tariff board which I understand has finally been reluctantly accepted by the government, that they are not goods of a class or kind made in Canada. I ask the minister if he will give us whatever information he has in support of the decision of the appraisers that these goods were of a class or kind made in Canada and therefore the dumping duty and the extra five per cent should be imposed?

Mr. MATTHEWS: I will do that.

Mr. RALSTON: Has the minister before him any reports in connection with the plant at Sarnia which was supposed to be manufacturing tinplate? I should like to know the number of employees and the production, say for October and November, 1933.

Mr. MATTHEWS: We have been getting information but it is not complete.

Mr. RALSTON: Can the minister give me the information upon which his appraisers arrived at the decision that these goods were of a class or kind made in Canada? I understand these goods were imported in June.

Mr. MATTHEWS: I was not the head of the department in June.

Mr. RALSTON: The minister has been long enough in this house to know that a minister does not answer things personally, I am asking him for the information his appraisers had with regard to the activities of any plant then producing in Canada.

Mr. MATTHEWS: I am sorry but I have not the data.

Mr. RALSTON: The minister will furnish it?

Mr. MATTHEWS: I shall be very glad to get any information I can for the hon. member.

Mr. RALSTON: Since he has been in the department has the minister made any investigation himself as to the activities and the amount of production of the plant now alleged to be operating in Sarnia in the manufacture of tinplate?

Mr. MATTHEWS: That matter is now under investigation.

Mr. RALSTON: But has the minister any information about it? There must be tinplate coming in now.

Mr. MATTHEWS: The investigation is not complete.

Mr. RALSTON: But in the meantime what ruling has been made by the department? Is it ruled that tinplate is of a class or kind of goods made in Canada?

Mr. MATTHEWS: I understand it is ruled that tinplate is of a class or kind made in Canada.

Mr. RALSTON: And what information has the minister regarding the Sarnia plant—the number of employees and the amount produced?

Mr. MATTHEWS: I am sorry I have not that information.

Mr. RALSTON: Could the minister give me an idea, through his officers, of the amount of tinplate that has been imported from, let us say, June until December?

Mr. MATTHEWS: No, I have not the information.

Mr. RALSTON: I understand it is a very large amount; I won't talk about tons myself. I submit to the minister, very respectfully and kindly, that in connection with the importation of a product which affects as many primary producers as does tinplate, we might be entitled to a little more information than he has given us with regard to the inquiries made, since he has been in office, touching this important commodity. I understand that a newspaper sent up a reporter there and it was found that no one could get into the Sarnia plant; guards were posted and no one was allowed to get in to see how little they were producing and to what extent they were in the preliminary stage. Did the minister see that report?

Mr. MATTHEWS: No, I did not.

Mr. RALSTON: And he cannot tell us whether there are ten or fifty men there?

Mr. MATTHEWS: We have no information.

Mr. RALSTON: Will the minister try to get the information for us, starting with the letter from the Ojibway Company intimating the cessation of operations in Canada?

Mr. MATTHEWS: Could the hon. member give me an idea of the date of the letter?

Mr. RALSTON: I understand that a letter was produced at the tariff board hearing.

Mr. MATTHEWS: I will look it up.

Mr. RALSTON: If the minister would bring down the whole file with regard to the Mundet Cork and Insulation Company of Toronto, it would assist us.

Mr. SANDERSON: This discussion has almost confirmed the rumour that has been abroad for several months that there has not been the utmost harmony between the Department of National Revenue and the new tariff board. I have here a report of some remarks made by the Prime Minister in the city of Toronto on the night of February 21. The news item is headed:

Denies friction with tariff body.

It reads:

Toronto, Feb. 21.—The attitude of the government toward the Tariff Board has been to offer every assistance and co-operation possible, and he has never received a complaint that it had been otherwise, Prime Minister R. B. Bennett declared in the course of the debate on empire preferences, held at Hart House by students of the University of Toronto, here to-night.

Mr. Bennett was replying to the remarks of S. F. Rae, one of the undergraduates opposing the resolution that "Canada retain her present preferred position in empire markets."

Mr. Rae had said there had been "constant friction" between the Tariff Board—"child of the empire agreements," and the British government. He charged that Canada had not been living up to the agreement with respect to the Tariff Board, had not stopped the practice of fixing values for duty purposes, and had disregarded the orders of the board with respect to duty values on jute twine.

The young debater referred to press reports of remarks attributed to former Justice George Sedgewick, chairman of the board, and the board was entitled to assistance from the law officers of the crown and was not getting it.

"We believe it to be an excellent board and it is entirely wrong to say that we are in variance," Mr. Bennett declared. "A question was raised but it was purely a point of law. I do not believe Mr. Justice Sedgewick ever made those observations attributed to him. Certainly he has never communicated them to

me nor suggested we had not done anything we should have done. The British authorities are entirely satisfied with the board."

The Minister of Justice said to-night, about half an hour ago, that there had not been any friction, if I too may use that word, between the law officers of the crown and the new tariff board, and that what Mr. Justice Sedgewick is reported in the press to have said was not what he did say. I have read the report and so have many hon. gentlemen in this house and most of the people of Canada; we have all read the remarks attributed to that gentleman, as reported in the next day's press, and I have never seen any correction. Certainly there is a feeling abroad that there has been friction with the tariff board, which was set up by this government last year as a tariff board that was to be different in every way from, and superior to, any other tariff body we have ever had in this country. There is a rumour, and this discussion to-night has confirmed it, judging by the remarks of the Secretary of State and the Minister of Justice. I am not criticizing at all the Minister of National Revenue, because I quite appreciate the fact that he has not been very long in the department, and many of the things criticized to-night happened before he assumed the administration of the department. But as minister of the department he must now bear the responsibility. Now, the tariff board set up under the chairmanship of Mr. Justice Sedgewick should not be interfered with by the law officers of the crown or by the Department of National Revenue or any officer of that department. We were told by the Prime Minister last year, and by other members of the government as well, that this board would be above reproach, and I believe that the setup of the board in its chairman was good—I will not go further than that. He should have a free hand to administer the affairs of the board and should not be interfered with. If there is to be friction between the Department of National Revenue or the law officers of the crown and the tariff board, then the board will be useless in functioning for the benefit of the people of this country, and the sooner this question is cleared up the better.

Mr. MATTHEWS: I hope my hon. friend will allow me to say that there has been no friction whatever at any time between the tariff board and the Department of National Revenue. I wish to emphasize that and to make it clear to the house that since I assumed office there has been no friction whatever between the Department of National Revenue and the tariff board. I consider Mr. Justice Sedgewick one of my best personal friends and our relations have been most harmonious in every respect.

Mr. SANDERSON: When the minister says that to his knowledge there has been no friction between the Department of National Revenue and the tariff board, is he speaking altogether of the time since he became minister of that department? Is he confining his remarks to that time?

Mr. MATTHEWS: How could I speak of the time before I took office?

Mr. SANDERSON: Surely the incoming minister has to assume the responsibilities of the office as it was left to him by the former minister. Is there nothing on record of any friction, if we want to continue to use that word, with the tariff board?

Mr. MATTHEWS: There is nothing on record, and so far as I know, my statement of my relations with the chairman of the tariff board and the board itself applies to my predecessor as well.

Mr. SANDERSON: It has been suggested by one of my colleagues that perhaps "disagreement" is better than "friction", and perhaps it is. Has there been any disagreement?

Mr. MATTHEWS: None whatever.

Mr. SANDERSON: I want to ask the minister another question. In his opinion, as the new Minister of National Revenue, are all the newspaper reports and rumours as to disagreement between the department and the tariff board absolutely incorrect?

Mr. MATTHEWS: The impression given by the statements in the press to which my hon. friend has alluded is entirely wrong.

Mr. SANDERSON: And absolutely without foundation?

Mr. MATTHEWS: Without foundation. On one occasion I tried to correct that in the press; I said something that I thought would create the proper impression, but certainly there has been no friction at all between the tariff board and the department.

Mr. VALLANCE: There is a condition that I would like to draw to the attention of the minister. First of all let me ask him a question: How long a time is an importer allowed from the date of importation of goods, to ask for a rebate of duty, for instance, if the goods are spoiled? Let me give a case. I have in my constituency a nursery which at the present time is importing bulbs from Holland.

Mr. MATTHEWS: Three months.

Mr. VALLANCE: I have in my office a file in which there are two letters from an official of the department giving the time as three days. This is an importation of bulbs from Holland. The nearest customs office is in the city of Moose Jaw; the goods are destined for the town of Luseland and it is impossible for any firm in that community, importing goods of a perishable nature such as bulbs, to inspect them and get word back to the customs office in that length of time. The importer to whom I refer has asked the department for a refund of duty and so far he has been denied it. I got the file just the other day and I intend taking the matter up with the department. If the time limit is three days, as suggested by one of the officials of the department, it should be extended a little longer to give such importers an opportunity to have their customs duty refunded.

Mr. MATTHEWS: When I said "three months", I was referring to goods returned as not being according to order. If my hon. friend will come to my department, I shall give the matter personal attention.

Mr. VALLANCE: I appreciate that, but I want to draw the attention of the committee to the fact that in my opinion and, I believe, in that of the house, a period of three days is not long enough to allow an importer to make an appeal.

Mr. MATTHEWS: That is a matter on which I cannot give an opinion at present, but if the hon. member will come to my department, he will receive courteous and prompt attention.

Mr. VALLANCE: I appreciate what the minister says, but the regulation states "three days." If I go to the department with a case in point indicating that a period of three days is not long enough for lodging an appeal, will the regulation be changed to give importers six or ten days instead of three?

Mr. MATTHEWS: When my hon. friend comes to the department, he will receive the same generous treatment that is accorded to anyone who comes.

Mr. GERSHAW: I would like to draw to the attention of the minister a situation which obtains in southern Alberta and perhaps in other places. Close to the international boundary line there are a number of farmers, small ranchers and so forth in rather poor circumstances. It just happens that there are no stores close to them on the Canadian side and naturally they deal with nearby stores on the United States side. It also happens that the roads are bad and the customs offices are often twelve or fifteen miles apart. That means a long trip for those people in order to report any of their purchases. Occasionally an inspector will come along, march into their homes, inspect their pantries, go down into their cellars and hunt around their premises. Perhaps he may find a tin can or something bearing a United States label, and in that case the unfortunate homesteader is in real trouble and up against a great deal of expense. I understand it is an offence to issue a false invoice, and I have wondered whether the department would in such cases allow a farmer to mail the invoice to the customs office and pay his duty in that way. If he did not have the invoice and smuggled extra goods, of course he would be liable. But is there no regulation by which that man can pay his customs duty by mail by forwarding an invoice, or is there any way by which he can avoid making long trips to report to the customs office?

Mr. MATTHEWS: I think not.

Mr. BOTHWELL: A little while ago, before all this discussion on jute twine began, I asked the minister certain questions about signs at the boundary line; I am speaking particularly of the prairies. Following the remarks made by the last speaker, I think it might be well to bring this matter to the minister's attention. The main highway out there, one of the graded highways running out of Saskatchewan and going south right through into the United States, in fact one of the best highways we have, is No. 4 highway, Saskatchewan. A gentleman in that district went across the line on business and came back with certain goods. He looked and inquired for a customs office, but he could not find out where it was, and he saw no signs on the road. He went out of the country not knowing he had to report; he reported at the United States customs office just across the line and inquired there on his way back where he would find a customs office on the Canadian side. He could not find out there, and he came into Canada again. In his letter he tells me that in addition to having to pay duty, sales tax and so forth on the goods he had purchased, he was also assessed $50 as a penalty for not reporting going both ways, although he informs me there is not a sign anywhere that he could see directing this to be done or

indicating where to do it. What I want to bring to the attention of the minister is that on those well travelled main highways at least there should be signs indicating where there is an office at which a man can report.

Mr. MATTHEWS: If my hon. friend will give me the particulars of this case I shall be very glad to investigate.

Mr. BOTHWELL: I know there are many districts there without a sign at all. In places there are distances of sixty miles between customs houses, with well travelled roads crossing the border and no sign anywhere to indicate where there is a customs house.

Mr. GOTT: The hon. member surely does not believe in signs.

Mr. BOTHWELL: It is not I, but this government, although the signs are plain as to what will happen.

Mr. CASGRAIN: It was written on the wall long, long ago.

Mr. GOTT: You will never live long enough to see it happen.

Mr. CASGRAIN: You will see it, and very quickly.

Mr. MATTHEWS: In spite of my hon. friend's last remark I shall be glad to look into the matter, and get a report from the inspector.

Mr. RALSTON: I want to ask the minister in regard to a complaint I have received from those interested in the butter business in Nova Scotia as to the release of some 8,000 boxes of New Zealand butter on February 22. The complaint was that the dairymen's association and the men in the creamery business down there were not consulted, but word seemed to have gotten out in some way to the packing houses that this butter was to be released, with the result that on the twentieth the packing houses began to sell and consequently cut the price from one to two cents. I have here a copy of the newspaper of February 23 announcing it; I presume the order was made on February 22. The Nova Scotia creameries have lost one to two cents a pound on butter on account of the drop in price, due, they feel, to some leak whereby the release of this New Zealand butter got to the ears of the packers. Was the minister concerned in that himself?

Mr. MATTHEWS: Not primarily concerned, but I happen to know something about it. But in the period the hon. member speaks of, when it was known that this butter was in Halifax, the price did not drop; it advanced from 26½ cents to 30 cents in Montreal.

[Mr. Bothwell.]

Mr. RALSTON: I am speaking about Nova Scotia.

Mr. MATTHEWS: I think there was a general advance in price. If the suggestion is that notice was released to any individual or large importer before others, that is not so; there is nothing in that.

Mr. RALSTON: I assure my hon. friend —I need not say it, he knows it,—that I do not suggest for an instant that the release could have taken place with his knowledge. But I have received a letter to-night from a responsible creamery operator in Nova Scotia, expressing very keen feeling about the situation which developed there. I understand the Nova Scotia Dairymen's Association wired the minister protesting against the release of the butter for at least four or six weeks. Similar wires sent by farmers' organizations. Notwithstanding these protests I understand the butter was released on February 22, and there was a fall in the price of butter that week of two cents a pound. Those are the facts given to me.

Mr. MATTHEWS: If the hon. member will allow me to suggest it, I should like to go into that with him privately. I cannot see how any loss has taken place, for we have information that from the time this butter was landed in Halifax until to-day or yesterday there has been a continual advance in the price of butter both in Toronto and Montreal, and I presume in the maritimes.

Mr. RALSTON: I shall be very glad indeed to go into it with the minister.

Mr. MATTHEWS: I think I can assure the hon. member that the matter was so handled that there was no flooding of the market and no fall in price.

Mr. RALSTON: Let me read one expression from the letter:

> As a result of this release and the apparent advance information Nova Scotia creameries have lost two cents per pound on butter sold this week. The buyer is now using New Zealand butter as an argument to buy at still lower prices.
>
> It is quite obvious that the dairy industry was not considered in this matter. No doubt this industry as a whole will protest the action at this time.

They did protest. I have no doubt the minister has had wires from them.

Mr. MATTHEWS: Yes, I have had wires. Just what do they protest against.

Mr. RALSTON: Against the release of the butter for from four to six weeks.

Mr. MATTHEWS: The market was advancing all the time when the butter was released. Certainly I cannot see any disadvantage to the butter market through the small amount that came.

Mr. RALSTON: I merely point it out to the minister. I suppose he will agree that neither he nor I would understand the situation in regard to the market as well as the dairymen's association and the farmers' associations.

Mr. MATTHEWS: Well, I think my hon. friend and I are both capable of reading the quotations in the press and seeing what the price is.

Mr. RALSTON: I am pointing out that there must be some mistake, because this is a responsible gentleman and he says the creameries have lost two cents a pound on butter sold this week. I am quite willing to accept my hon. friend's invitation and discuss the matter with him privately, and I do not mind showing him the letter.

Mr. MATTHEWS: I think Nova Scotia produces perhaps one third of the butter it uses?

Mr. RALSTON: I would think so.

Mr. GOTT: Will the hon. member for New Westminster (Mr. Reid), the jumping jack of the house—

Some hon. MEMBERS: Order.

Mr. GOTT: —repeat the remark he made a while ago?

The CHAIRMAN (Mr. Smith, Cumberland): Order.

Mr. GOTT: He made a remark and then ran to cover.

Mr. REID: I think the hon. member made a very insulting remark to me, and I have always been able to take care of myself.

Mr. GOTT: I made no remark to the hon. member whatsoever.

Mr. REID: Then if I made any remark I am glad to withdraw it.

The case I wish to discuss is in connection with a fishing boat registered part time in the United States, and then coming into Canada. Taking it up after complaint had been made to me, customs officials in Vancouver said the boat could come in at any time without duty being paid. It had paid duty a number of years ago, but for the past few years it has been coming in without paying any duty. One of the owners, who lives in the United States, is registered as a United States citizen; the other owner is a Canadian, though I understand that both owners were born in Canada.

I should like to ask the minister, and perhaps his officers can give me the information, whether a ship going back and forth is allowed to do so without paying the customs dues. One officer claims that a ship registered in Canada which leaves its port and becomes registered in a foreign country ceases to be of Canadian registry, and that on reentering for fishing purposes it must pay the dues over again. This has been going on for a number of years.

Mr. MATTHEWS: It must be quite obvious to the hon. member that I would not have the information as to a certain ship on the Pacific, but if he will be good enough to give me full particulars I shall be glad to go into the matter for him.

Mr. RALSTON: I think this is the answer to what my hon. friend the minister said with regard to butter prices, and he can have this information to aid him when he is looking into the matter. All last year butter fat prices averaged only about 21 cents. Only during the last couple of months have fat prices reached a point where the farmers can break even. Last month's cream price was 25 cents, while this month the price has been 28 cents. They were hoping to maintain prices at from 28 cents to 30 cents until the grass season started. Summing that up, I take it that what happened was that when prices started to advance to where the farmer could break even he found the New Zealand butter coming in on him. That is the complaint.

Mr. MATTHEWS: That may be so, but after the fact became known that the New Zealand butter was coming in the price went up in Montreal from 26½ cents to 30 cents. The price was not depressed.

Mr. BENNETT: It is 29 cents now.

Mr. RALSTON: They say it did depress the price.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the item carry?

Mr. CASGRAIN: I think the information that has been requested by the hon. member

for Shelburne-Yarmouth and the other hon. members on this side should be furnished before this item passes. This is the big item for the whole department, and I think that information should be supplied before it is passed.

Mr. MATTHEWS: I have still another item.

Mr. CASGRAIN: But this is a large item of over $9,000,000, and I do not think it should pass in this way.

Item stands.

Progress reported.

On motion of Mr. Bennett the house adjourned at 10.57 p.m.

END OF VOLUME I.